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ABSTRACT

Oral and written statements presented to the Subcommittee on Employment Opportunities regarding the Youth Employment and Training Act of 1977 and related legislation are presented in this hearings record. Texts of the remarks are printed in chronological order, while the names of the presenters are listed alphabetically in the contents. Oral proceedings are followed by prepared statements, letters, and supplemental materials, e.g., "Case Studies: CETA Funded Classroom Training," "Final Report to the National Advisory Council on Vocational Education (NACVE)," and "Youth Unemployment Testimony" (by a NACVE task force). The full text of the Youth Employment and Training Act of 1977 (H.R. 6138), an amendment to the Comprehensive Employment and Training Act of 1973, is also included. (BL)

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ED145174

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 AND RELATED LEGISLATION

HEARINGS
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
FIRST SESSION
ON
H.R. 6138
TO PROVIDE EMPLOYMENT AND TRAINING OPPORTUNITIES FOR YOUTH

HEARINGS HELD IN WASHINGTON, D.C., APRIL 19, 21, 27, AND 28, 1977

Printed for the use of the Committee on Education and Labor
Carl D. Perkins, *Chairman*

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 AND RELATED LEGISLATION

TUESDAY, APRIL 19, 1977

House of Representatives,
Subcommittee on Employment Opportunities
of the Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m., in room 2261, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman) presiding.

Members present: Representatives Perkins, Hawkins, Le Fante, Weiss, Quie, Sarasin, and Pursell.

Staff present: Susan D. Grayson, staff director; Carole Schanzer, clerk and administrative assistant; Steve Juntila, legislative assistant; Nat Semple, minority legislative associate.

Mr. Hawkins. The Subcommittee on Employment Opportunities is called to order.

Mr. Secretary, may I apologize for the delay. A group of us on full committee were in a meeting downstairs with Mr. Georgine and representatives of the building trades groups. Several of the other members of this committee including Mr. Sarasin, Mr. Weiss, and Mr. Le Fante are present in that meeting also. They are trying to attend both meetings and will be here shortly.

[Text of H.R. 6138 follows:]

7

95TH CONGRESS
1ST SESSION

H. R. 6138

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 1977

Mr. HAWKINS (for himself and Mr. PERKINS) introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To provide employment and training opportunities for youth.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment and Training Act of 1977".

SEC. 2. The Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new title:

I

"TITLE VIII—YOUTH EMPLOYMENT AND TRAINING

"PART A—NATIONAL YOUNG ADULT CONSERVATION CORPS

"STATEMENT OF PURPOSE

"SEC. 801. It is the purpose of this part to establish a National Young Adult Conservation Corps to provide employment and other benefits to youth who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work and aid in completing other projects of public nature on Federal and non-Federal public lands and waters.

"NATIONAL YOUNG ADULT CONSERVATION CORPS

"SEC. 802. To carry out the purposes of this part, there is hereby established a National Young Adult Conservation Corps to carry out projects on Federal or non-Federal public lands or waters. The Secretary shall administer this part through interagency agreements with the Secretaries of the Interior and Agriculture. Pursuant to such interagency agreements, the Secretaries of the Interior and Agriculture shall have responsibility for the management of each Corps center, including determination of Corps members' work assignments, selection, training, discipline, and termination, and shall be responsible for an effective program at each center.

"SELECTION OF ENROLLEES

"SEC. 803. (a) Enrollees of the Corps shall be selected by the Secretaries of the Interior and Agriculture only from candidates referred by the Secretary.

"(b) To qualify as an enrollee of the Corps an individual, at the time of selection—

"(1) (A) shall have attained age sixteen but not attained age twenty-two: *Provided,* That individuals who have attained age sixteen but not age nineteen, and have left school, shall, to qualify as enrollees, give adequate assurances that they did not leave school for the purpose of participating in programs financed under this part; or

"(B) may be, notwithstanding the above and under such regulations as the Secretary may prescribe, persons who have attained age fourteen, but not age sixteen, or individuals who have attained age twenty-two but not age twenty-four; and

"(2) shall be citizens or lawfully admitted permanent residents of the United States or lawfully admitted parolees and refugees; and

"(3) shall be physically and mentally capable, as determined by the Secretary, of carrying out the work of the Corps for the estimated duration of the individual's enrollment.

"(c) Preference for membership in the Corps shall be given to those eligible under this part who reside in areas determined by the Secretary under section 204 (c) to have a rate of unemployment equal to or in excess of 6.5 per centum.

"(d) The Secretary shall make arrangements for obtaining referral of candidates for the Corps from the public employment service, prime sponsors under title I, the Secretaries of Interior and Agriculture, and such other agencies and organizations as the Secretary may deem appropriate.

"(e) (1) No individual may be enrolled in the Corps for a total period of more than twelve months, with such maximum period consisting of either one continuous twelve-month period, or three or less periods which total twelve months: *Provided*, that an individual who attains the maximum permissible enrollment age may continue in the Corps up to the twelve-month limit provided in this subsection only as long as the individual's enrollment is continuous after having attained the maximum age.

"(2) No individual shall be enrolled in the Corps if solely for purposes of membership for the normal period between school terms.

"ACTIVITIES OF THE CORPS

"SEC. 804. (a) Consistent with each interagency agreement, the Secretary of the Interior of Agriculture, as appropriate, in consultation with the Secretary shall determine the location of each residential and nonresidential camps. The Corps shall perform work on projects, programs, and in areas, including but not limited to:

"(1) tree nursery operations, planting, pruning, thinning, and other silvicultural measures;

"(2) erosion control and flood damage;

"(3) wildlife habitat improvements and preservation;

"(4) range management improvements;

"(5) drought damage measures;

"(6) recreation development, rehabilitation, and maintenance;

"(7) fish habitat and culture measures;

"(8) forest insect and disease prevention and control;

"(9) road and trail maintenance and improvements;

"(10) general sanitation, cleanup, and maintenance; and

"(11) natural disasters damage measures.

"(b) To the maximum extent practicable, appropriate projects shall—

"(1) be highly labor intensive;

"(2) be projects for which work plans could be readily developed;

"(3) be able to be initiated promptly;

"(4) provide work experience to participants in skill areas required for the accomplishment of productive work on the project;

"(5) if a residential project, be located in areas where existing residential facilities for the Corps members are available; and

"(6) be similar to activities of persons employed in seasonal and part-time employment in agencies such as the National Park Service, United States Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, Bureau of Indian Affairs, and the Forest Service.

"(c) (1) The Secretaries of the Interior and Agriculture, pursuant to agreements with the Secretary, may provide for such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment, and facilities as they may deem appropriate to carry out the purposes of this part.

"(2) Whenever economically feasible, existing but unoccupied or underutilized Federal, State, and local government facilities, and equipment of all types, including military facilities and equipment, shall be utilized for the purposes of the Corps work camps, where appropriate, with the approval of the Federal agency, State, or local government involved.

"CONDITIONS APPLICABLE TO CORPS ENROLLEES

"SEC. 805. (a) Members of the Corps shall not be deemed Federal employees except for purposes of chapter 171 of title 28, chapter 81 of title 5, and title II of the Social Security Act (42 U.S.C. 401, et seq.);

"(b) The Secretary shall, in consultation with the Secretaries of Agriculture and Interior, establish standards for—

"(1) rates of pay which shall be at least at the rate set forth in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended;

"(2) reasonable hours and conditions of employment, and

"(3) safe and healthful working and living conditions.

"(c) To minimize transportation costs, Corps members shall be assigned to projects as near to their homes as practicable.

"AGREEMENTS WITH AGENCIES AND ORGANIZATIONS

"SEC. 806. Consistent with interagency agreements with the Secretary, the Secretaries of the Interior and Agriculture may make grants or enter into other agreements, after consultation with the Governor, with any State agency, or after consultation with appropriate State and local officials, with any public agency or organization or any private nonprofit agency or organization (which has been in existence for at least five years) for the conduct of any project under this part on Federal or non-Federal public lands or waters.

"PART B—YOUTH COMMUNITY CONSERVATION AND IMPROVEMENT PROJECTS

"STATEMENT OF PURPOSE

"SEC. 811. It is the purpose of this part to establish a program of community conservation and improvement projects to provide employment, work experience, skill training, and opportunities for community service to eligible youths, for a period not to exceed twelve months, supplementary to, but not replacing opportunities available under title I of this Act.

"DEFINITIONS

"SEC. 812. As used in this part, the term—

"(1) 'eligible applicant' means any prime sponsor designated under section 102 of the Act and Indian tribes, bands, and groups qualified under section 302 (c) (1) of this Act.

"(2) 'project applicant' shall have the same meaning as in section 701 (a) (15) of this Act.

"(3) (A) 'eligible youth' means any unemployed individual who at the time of employment, has attained the age sixteen but not age twenty-two;

"(B) notwithstanding paragraph (A), under such regulations as the Secretary may prescribe, persons who have attained age fourteen, but not age sixteen, and persons who have attained age twenty-two but not age twenty-four may be 'eligible youth'.

"(4) 'community improvement projects' means projects which provide work which would not otherwise be carried out, including, but not limited to, the rehabilitation or improvement of public facilities; neighborhood improvements, including basic repairs to low-income housing; and conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands.

"ALLOCATION OF FUNDS

"SEC. 813. In allocating funds appropriated under this part, the Secretary shall take into consideration the severity of unemployment among eligible youths residing in the areas served by each eligible applicant: *Provided, however,* That not less than one-half of 1 per centum of all amounts appropriated to carry out this part shall be granted under this part for programs within any one State, except that in the case of Guam, the Virgin Islands, American Samoa, the Northern Marianas, and the Trust Territory of the Pacific Islands, not less than one-half of 1 per centum in the aggregate shall be granted for such projects in all five of these jurisdictions.

"COMMUNITY CONSERVATION AND IMPROVEMENT YOUTH EMPLOYMENT PROGRAM

"SEC. 814. The Secretary is authorized, in accordance with the provisions of this part, to enter into agreements with eligible applicants to pay the costs of community improvement projects to be carried out by project applicants using exclusively eligible youth and appropriate supervisory personnel.

"PROJECT APPLICANT APPLICATIONS

"SEC. 815. (a) Project applicants shall submit applications for funding of projects under this part to the appropriate eligible applicant.

"(b) In accordance with regulations prescribed by the Secretary each project application shall—

"(1) provide a description of the work to be accomplished by the project, the jobs to be filled, and the approximate duration for which the eligible youth would be assigned to such jobs.

"(2) provide a description of job training and skill development opportunities that will be made available to participating eligible youth, as well as a description of plans to coordinate the training and work experience with school related programs including the awarding of academic credit in accord with regulations prescribed by the Secretary;

"(3) describe the wages or salaries to be paid persons employed in jobs assisted under this part;

"(4) set forth assurances that there will be an adequate number of supervisory personnel on the project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out a project;

"(5) set forth assurances that any income generated by the project will be applied toward the cost of the project;

"(6) set forth assurances for acquiring, including by reasonable payment or rental, such space, supplies, materials, and equipment as necessary.

"(7) set forth assurance that, to the maximum extent feasible, projects carried out under this part shall be labor intensive;

"(8) describe the method of recruiting eligible youth, including a description of how such recruitment is coordinated with plans under other parts of this title and with arrangements required by section 105 of this

Act, and also including arrangements with school systems and the public employment service, including its school cooperative programs; and

"(9) set forth such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this part.

"PROPOSED AGREEMENTS

"SEC. 816. (a) Each eligible applicant desiring funds under this part shall submit a proposed agreement to the Secretary.

"(b) The proposed agreement shall contain the project applications approved by the eligible applicant, and other information and assurances as prescribed by the Secretary to carry out the purposes of this part.

"(c) (1) In order for a project application submitted by a project applicant to be submitted to the Secretary by the eligible applicant, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 104, or a like organization as determined by the Secretary, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the eligible applicant. No member of a prime sponsor's planning council, or like organization, shall cast a vote on any matter in connection with a project in which that member (or any organization with which that member is associated) has a direct interest.

"(2) Consistent with procedures established by the eligible applicants in accordance with regulations which the Secretary shall prescribe, the eligible applicant shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor's planning council, or like organization, and unless it has provided such applicant and the planning council, or like organization, with a written statement of its reasons for such disapproval.

"AGREEMENTS

"SEC. 817. (a) The Secretary of Labor may approve or deny the project applications included in each proposed agreement on an individual basis.

"(b) No funds shall be made available to the eligible applicant except pursuant to an agreement entered into between the Secretary and the eligible applicant which provides assurances satisfactory to the Secretary that—

"(1) the standards set forth in part D will be satisfied;

"(2) projects will be conducted in such manner as to permit the eligible youths employed in the project who are in school to coordinate the job with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency or school involved; and

"(3) meet such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this part.

"WORK LIMITATION

"SEC. 818. No eligible youth shall be employed more than twelve months in work financed under this part, except as prescribed by the Secretary.

"PART C—COMPREHENSIVE YOUTH EMPLOYMENT AND TRAINING PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 831. It is the purpose of this part to establish comprehensive programs, supplementary to but not replacing programs and activities available under title I of this Act, to enhance the job prospects and career opportunities of young persons, including employment, community service opportunities, and such training and supportive services as are necessary to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy. To the maximum extent feasible, training and employment opportunities afforded under this part shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the job prospects and career opportunities of persons served under this part.

"PROGRAMS AUTHORIZED

"SEC. 832. The Secretary is authorized to provide, subject to such terms and conditions as he deems appropriate, financial assistance to enable eligible applicants (as defined in section 834) to provide employment opportunities and appropriate training and supportive services for eligible participants including but not limited to:

"(a) useful work experience opportunities in a wide range of community betterment activities such as the rehabilitation of public properties, assistance in the weatherization of homes occupied by low-income families, demonstrations of energy-conserving measures including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization, conservation and improvement, and related activities;

"(b) meaningful and productive employment and work experience in fields such as education, health care, neighborhood transportation services, crime prevention and control, environmental quality control, preservation of historic sites, and maintenance of visitor facilities; and

"(c) appropriate training and services to support the objectives of this part, including but not limited to—

"(1) outreach, assessment, and orientation;

"(2) counseling;

"(3) activities promoting education to work transition;

"(4) provision of occupational, educational and training information;

"(5) services to youth to help them obtain and retain employment;

"(6) literary and English as a second language;

"(7) attainment of certificates of high school equivalency;

"(8) job sampling, including vocational exploration in the public and private sector;

"(9) institutional and on-the job training;

"(10) transportation assistance; and

"(11) other necessary supportive services.

"ALLOCATION OF FUNDS

"SEC. 833. (a) Fifty per centum of the funds available for this part in any fiscal year shall be allocated as follows for the purpose of carrying out programs authorized under section 832:

"(1) 75 per centum of the amount allocated under this subsection shall be allocated on the basis of the relative number of unemployed persons within the State as compared to such numbers in all States; and

"(2) 25 per centum of the amount allocated under this subsection shall be allocated on the basis of the relative number of persons in families with an annual income below the low-income level within the State compared to such total numbers in all States.

"(3) In determining allocations under this subsection, the Secretary shall use what he or she determines to be the most recent and best available data.

"(b) The sum allocated to each State shall be allocated by the Secretary among areas within the State, as determined by the Secretary, on an equitable basis based upon the factors set forth in subsection (a).

"(c) The Secretary is authorized to make such reallocations as he or she deems appropriate of any amount of any allocation under subsections (a) and (b) to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided thirty days advance notice of the proposed reallocation to the eligible applicant for such area and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Priority shall be given in reallocating such funds to other areas within the same State.

"(d) The remaining fifty percent of the funds available for this part shall be available for innovative and experimental programs authorized under section 838.

"ELIGIBLE APPLICANTS

"SEC. 834. Eligible applicants under this part are prime sponsors, as defined in section 102 of this Act, and Indian tribes, bands, and groups qualified under section 302 (c) (1) of this Act.

"ELIGIBLE PARTICIPANTS

"SEC. 835. (a) Eligible participants in programs authorized under this part shall be limited to persons who—

"(1) are unemployed;

"(2) at the time of entrance into a program authorized by this part, have attained the age sixteen but not age twenty-two: *Provided*, That pursuant to such regulations as the Secretary may prescribe, persons who have attained age fourteen, but not age sixteen, and persons who have attained age twenty-two, but not age twenty-four, may be eligible participants; and

"(3) are not members of households which have current gross family income, adjusted to an annualized basis (exclusive of unemployment compensation and other public payments which the individual will be disqualified from receiving by reason of assistance under this part) at a rate exceeding 70 per centum of the lower living standard income level: *Provided,* That activities of the type authorized under sections 832 (c) (2), (3), (4), (5), (8), and (11) may be provided to persons meeting the requirements of paragraph 2 of this subsection who would not otherwise be eligible under this part.

"(b) For purposes of this section, the term 'lower living standard income level' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary based upon the most recent 'lower living standard budget' issued by the Bureau of Labor Statistics of the Department of Labor.

"(c) To the maximum extent feasible, programs under this part shall be targeted on participants who are out of school, out of work, and experiencing severe handicaps in obtaining employment, including but not limited to those who lack credentials, such as a high school diploma, and those who require substantial basic and remedial skill development.

"CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

"SEC. 836. The Secretary shall not provide financial assistance to an eligible applicant for programs authorized under section 832 unless such eligible applicant provides assurances that the standards set forth in part D will be met, and—

"(1) includes in its comprehensive manpower plan submitted pursuant to section 105 or section 302 (c) (1) of this Act (or for fiscal year 1977, as an amendment thereto), a description of the program to be provided to eligible participants, together with a description of the relationship and coordination of services provided to eligible participants under this part of similar services offered by local educational agencies, postsecondary institutions, the public employment service, other youth programs, community-based organizations, businesses, and labor organizations consistent with the requirements of sections 105 and 106 of this Act;

"(2) provides assurances, satisfactory to the Secretary, that in the implementation of programs under this part, there will be coordination, as appropriate, with local educational agencies, postsecondary institutions, other youth programs, community-based organizations, businesses, labor organizations, other job training programs, the apprenticeship system, and with respect to the referral of prospective youth participants to the program, the public employment service system;

"(3) provides assurances satisfactory to the Secretary, that to the maximum extent feasible, programs or components of programs conducted under this part will be linked, where appropriate, to comprehensive work and training programs conducted by prime sponsors under title I of this Act;

"(4) provides assurances satisfactory to the Secretary that allowances will be paid in accordance with the provisions of section 111 (a) of this Act and such regulations as the Secretary may prescribe for this part; and

"(5) provides such other information and assurances as the Secretary may deem appropriate to carry out the purposes of this Act.

"FEDERAL ADMINISTRATION

"SEC. 837. The provisions of sections 108, 109, and 110 of this Act shall apply to all programs and applicants authorized under section 832.

"INNOVATIVE AND EXPERIMENTAL PROGRAMS

"SEC. 838. (a) There are authorized to be established innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth. In establishing such programs, the Secretary shall consult, as appropriate, with the Secretaries of Commerce, Health, Education, and Welfare, Housing and Urban Development and with the Director of ACTION. Such programs shall include, where appropriate, cooperative arrangements with educational agencies to provide special programs and services for eligible participants enrolled in secondary schools, including job experience, counseling and guidance prior to the completion of secondary school and making available occupational, educational, and training information through statewide career information systems.

"(b) Three-fourths of the funds available under section 833(d) to carry out this section shall be provided to eligible applicants on the basis of applications submitted to the Secretary. The Secretary shall review and approve such applications, on the basis of criteria which he or she shall establish, which shall include but not be limited to—

"(1) standards of local need, as evidenced by the severity of unemployment problems among low-income youth participants in the area to be served;

"(2) demonstrated effectiveness in dealing with the unemployment problems of youth, as indicated by the past performance record of the eligible applicant; and

"(3) the quality of the program proposal, as determined by the Secretary in accord with such standards as the Secretary shall establish.

"(c) The remaining one-fourth of the funds available under section 833(d) to carry out this section shall be used at the Secretary's discretion to carry out innovative and experimental programs for eligible participants, for the purposes of preparing them for, enhancing their prospects for, or securing their employment in jobs through which they may be reasonably expected to advance to productive working lives.

"ACADEMIC CREDIT

"SEC. 839. In the administration of this part, appropriate efforts shall be made to encourage the granting by the educational agency or school involved of academic credit to eligible participants who are in school.

PART D—GENERAL PROVISIONS

"SEC. 851. Pursuant to such regulations as the Secretary deems appropriate, all activities funded under this title shall meet the following standards:

"(a) The activities—

"(1) will result in an increase in employment opportunities over those opportunities which would otherwise be available,

"(2) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work or wages or employment benefits),

"(3) will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed, and

"(4) will not substitute jobs assisted under this title for existing federally assisted jobs.

"(b) Jobs funded under this title shall be in addition to those that would be funded in the absence of assistance under this title.

"(c) The project applicant will not employ any youth when any other person is on layoff by such applicant from the same or any substantially equivalent job.

"(d) No funds received under this title will be used to employ any person to fill a job opening created by the act of an employer in laying off or terminating employment of any regular employee, or otherwise reducing the regular work force not supported under this title in anticipation of filling the vacancy so created by hiring a youth to be supported under this title.

"(e) The jobs in each promotional line will in no way infringe upon the promotional opportunities which would otherwise be available to persons currently employed in public services not subsidized under this title and no job will be filled in other than an entry level position in each promotional line.

"(f) Members of the target population to be served by the program shall be consulted with and their views taken into consideration.

"(g) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the program for which an application is being developed for submission under this title, such organization shall be notified and shall be afforded a reasonable period of time prior to the submission of the application in which to make comments to the applicant and to the Secretary.

"(h) The provisions of section 605(b) of this Act shall apply.

"(i) Activities funded under this title shall meet such other standards as the Secretary may deem appropriate to carry out the purposes of this Act.

"(j) Rates of pay under parts B and C shall be no lower than the highest of—

"1. the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938;

"2. the State or local minimum wage for the most nearly comparable employment; or

"3. the prevailing rates of pay for persons employed in similar occupations by the same employer: *Provided, however,* That in the case of projects to which the provisions of the Davis-Bacon Act (or of any Federal law containing labor standards in accordance with the Davis-Bacon Act) otherwise apply, the Secretary is authorized, for projects financed under parts B and C of this title of under $5,000, to prescribe rates of pay for youth participants which are not less than the applicable minimum wage but not more than the wage rate of the entering apprentice in the most nearly comparable apprenticable trade, and to prescribe the appropriate ratio of journeymen to such participating youths.

"EDUCATION CREDIT

"SEC. 852. The Secretary, in carrying out the purposes of this title, shall work with the Department of Health, Education, and Welfare to make suitable arrangements whereby academic credit may be awarded by educational institutions and agencies for competencies derived from work experience obtained through programs established under this title.

"EVALUATION

"SEC. 853. Programs provided under this title shall be subject to continuing performance evaluation pursuant to the provisions of section 313 (a) of this Act.

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 854. Training and technical assistance may be provided to eligible applicants conducting programs and activities under parts B and C of this title in accordance with the provisions of section 315 of this Act. Technical assistance to be provided by the Secretary shall emphasize the development and exchange of viable and proven program models and program information to assist eligible applicants in the design and modification of local program initiatives.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) There are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978, to carry out the provisions of title VIII of the Comprehensive Employment and Training Act of 1973 (as amended by this Act).

(b) Funds necessary to carry out their responsibilities under part A shall be made available to the Secretaries of the Interior and Agriculture in accord with interagency agreements between the Secretaries of the Interior and Agriculture and the Secretary.

RELATION TO OTHER PROVISIONS OF LAW

SEC. 4. The provisions of title VII of the Comprehensive Employment and Training Act of 1973, as amended, shall apply to programs under this Act, except that, to the extent that such provisions are inconsistent with the provisions of this Act, the provisions of this Act shall prevail.

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall become effective upon enactment.

Mr. Hawkins. We understand you have a time schedule problem. I do have an opening statement; however, I will not read the statement at this time, but offer it for the record.

Without objection, it is so ordered.

[The statement referred to follows:]

Prepared Statement of Hon. Augustus F. Hawkins

This morning the Subcommittee on Employment Opportunities continues its series of hearings on various youth employment and training legislative proposals introduced during the current session.

Recently included in the measures under consideration is H.R. 6138, drafted by the Administration along the lines of President Carter's message on youth employment. Chairman Perkins and I introduced this proposal on April 6. This measure includes many of the concepts addressed in the other proposals under consideration.

Testimony during our previous hearings on this issue indicated several concerns which should be included in any legislation dealing with youth employment and training passed out of this Subcommittee. Programs for young people should include projects for community conservation and rehabilitation in urban areas as well as projects of an environmental resource management nature on our nation's public lands. Such programs should also provide employment opportunities, skills training and on-the-job training for youth both in school and out of school. There should be involvement of existing education and training institutions and a means to provide occupational, career counseling to the young people served. A concerted effort must be made to target these programs to those most in need and outreach mechanisms must be utilized to make certain that disadvantaged and minority youth are aware of the opportunities provided by these programs. Consideration should be given to involvement of the private sector both directly and through apprenticeship programs to prepare youth for employment in the private sector. Finally, we must be careful in our zeal to provide jobs for youth that we not neglect the skill training and meaningful work experiences which will enable these youth to become employable adults. These concerns are neither inclusive or exclusive but are offered as an outline of concepts which should be included in a youth employment and training bill.

Our first witness this morning is the Honorable Ray Marshall, Secretary of Labor.

Mr. Hawkins. Mr. Sarasin, do you wish to make a statement at this time?

Mr. Sarasin. Not at this time, Mr. Chairman: I will just say I look forward at this time to the Secretary's testimony.

Mr. Hawkins. We will proceed at this time to hear from the Secretary of Labor. I will forgo the usual introduction, Mr. Secretary, other than to say we are very pleased to have you and your associates with us this morning. I will leave to you the introduction of those who are seated with you at the table this morning. Your statement in its entirety will be entered in the record, and you may proceed to deal with it as you so desire.

STATEMENT OF HON. RAY MARSHALL, SECRETARY OF LABOR, ACCOMPANIED BY ERNEST G. GREEN, ASSISTANT SECRETARY OF LABOR FOR EMPLOYMENT AND TRAINING; WILLIAM B. HEWITT, ADMINISTRATOR, POLICY, EVALUATION, AND RESEARCH; AND NIK EDES, DEPUTY UNDER SECRETARY OF LABOR FOR LEGISLATION

Secretary Marshall. Thank you, Mr. Chairman.

Let me apologize for having to leave early, but I have an emergency meeting in the White House I have to get to. I am very ably represented here by Mr. Ernest Green, on my right, who is the Assistant Secretary for Employment and Training; and Mr. William B. Hewitt, Administrator, Policy, Evaluation and Research.

On my left is Mr. Nik Edes, Deputy Under Secretary for Legislation.

Mr. Chairman, and members of the subcommittee: I welcome the opportunity to appear before you today to urge passage of H.R. 6138, the administration's proposal for youth employment and training programs which was introduced by you, Mr. Chairman, and by Mr. Perkins.

Before discussing the specific proposals the administration has developed for dealing with the critical problems of youth unemployment, I would like to make a few general observations.

On January 31, the administration sent to the Congress its proposed economic stimulus package. This package was designed to deal with one of this Nation's most critical and immediate problems—the unacceptably high level of unemployment which we have experienced. Unemployment is wasteful in both human and economic terms. We can talk in terms of the loss of purchasing power, the slowing of economic growth, and the impact on the Federal budget, and these are important concerns; however, we must never forget that behind those numbers are the needs of people—people who want to work, and people whose future hopes and present sense of self-worth are being seriously damaged.

The administration's economic recovery package is designed to accomplish as much as we can, as promptly as we can, with prudence and consistent with finite resources.

During periods of economic downturn, virtually all segments of the workforce are adversely affected. We anticipate that the economic recovery package will improve the general employment picture in the economy enough to allow most workers in the mainstream of the economy to find jobs.

However, there are other persons, already at a competitive disadvantage due to age, race, or a disability, for whom the general improvement of the economy will not bring an immediate job. It will take them longer to find employment, and when they do find employment it will frequently be in jobs that do not provide any future. These people are among the last hired and the first fired. Many of them are destined to remain unskilled because of employer unwillingness to provide them with meaningful jobs and training. They are caught in the circle of not being able to get a job because they are inexperienced and unskilled, and unable to get experience or a skill because they cannot get a job. I believe it is the role of the government to help these people enter the mainstream of the American economy.

One group that we feel must be targeted for special programs is youth. Latest available figures indicate that there are 3.4 million unemployed jobseekers among those aged 16 to 24. In percentage terms, there is an 18.8 percent unemployment rate among those aged 20 to 24. For minority youth, however, the rate of unemployment is presently 40.1 percent. Even more significant, these figures are little different from corresponding figures for the same age groups a year ago. Thus, the problem is not only severe in magnitude but chronic in duration.

Attitudes and workforce attachment are given shape and direction early in a person's working life. A substantial proportion of the young population may therefore be adversely affected by the long-term consequences of early, chronic unemployment. The longer unemployment exists for young people the more acute becomes the loss in human terms and in terms of economic impact.

In many cases, youth lack marketable job skills; in too many cases, their training and education have not fitted them for jobs which are available. It is imperative therefore that we begin targeting more programs especially for this group of workers.

In my testimony before the Joint Economic Committee on February 10, I stressed the importance the administration placed on the youth portion of the economic stimulus package submitted by the President on January 31. The President in his March 9 message to Congress presented basic details of the youth program—a doubling of the Job Corps to 44,000 slots by the end of fiscal year 1978 and three new initiatives for youth—and once again stressed its critical nature. Today I want to once again stress to you how critical we consider this legislation.

We feel it is important to give special emphasis to the problem of youth unemployment. We are proposing an arsenal of programs and approaches to deal with that problem, recognizing that within the overall youth group there are subgroups based on age, school status, geographic location and other differentials that require different program emphasis and different types of services. The bill includes provisions that would aid youth in developing marketable job skills where none presently exist and include a number of new and innovative aspects such as the awarding of academic credit where appropriate for competencies gained through work experience.

Mr. Chairman, I would like to now turn to the specific programs. We are proposing three new programs under a new title VIII of CETA—a national young adult conservation corps, a program of youth community conservation and improvement projects, and a comprehensive youth employment and training program.

In developing these programs we have relied heavily on our previous experience in this area and upon the many fine bills introduced in Congress. The different programs composing title VIII meet different needs of youth. All, however, are primarily directed to youth aged 16 to 21. The provisions of the bill allow me as Secretary to prescribe regulations to permit inclusion of youth aged 14, 15, 22 and 23.

Part A of the new title authorizes creation of a National Young Adult Conservation Corps. The corps is designed to provide young adults with opportunities to perform useful work in conservation projects and in the maintenance and improvement of public parks, forests and recreation areas. The program would be administered by the Department of Labor through agreements with the Agriculture and Interior Departments. Agriculture and Interior would be responsible for the day-to-day operation of the centers. The Department of Labor is proposing to spend a total of $350 million over the next 18 months for 35,000 positions under this program.

This program is an outgrowth of the highly successful, and continuing, Youth Conservation Corps run as a summer program by the

Departments of Agriculture and Interior. The Corps will serve to reduce youth unemployment while expanding the horizons of our young unemployed workers through their participation in innovative programs in the conservation and development of public natural resources and recreational areas.

Under the administration's bill, the National Young Adult Conservation Corps would be open to all unemployed young persons, provided they meet the age criteria. However, individuals would be given preference for employment if they live in areas—as defined in title II of CETA—having unemployment rates of 6.5 percent or higher.

There is much resource conservation and restoration work on Federal and State owned lands which needs to be done. Through the enactment of our bill the Department of Labor in cooperation with the Departments of Agriculture and Interior would assure that the young people who are jobless are matched with the jobs that need doing on our Nation's public lands.

Part B of the new title authorizes a program of youth community conservation and improvement projects. Under this program, youth would be employed in projects of local benefit, such as improving neighborhoods and communities and maintaining and restoring natural resources on publicly owned land.

The emphasis of this part of the bill is on the "soft" public works type projects which will produce a tangible result that will serve the community and be of lasting benefit. Maximum flexibility will be given each community to design projects that will respond to individual community needs.

Communities across the Nation have projects which need doing but which remain undone, particularly in times of economic stress. These are valuable projects which would enhance the community and extend the useful life of many facilities and services. Under this part of the bill young people will be able to have the satisfaction of serving their communities while receiving useful work experience and contributing improvements to the community which remain long after the project is finished. In addition, many youth will be able to earn academic credit for competencies developed through the work projects.

This program would be open to all unemployed persons provided they meet the age criteria. However, in funding projects, consideration would be given to the severity of unemployment among youths living in the areas to be served.

Projects would be developed by project applicants—State and local governments and agencies, local educational agencies, community-based organizations and others—and reviewed and approved by eligible applicants—the 446 CETA prime sponsors and certain Indian organizations—as is done under title VI. Approved projects would then be forwarded to the Secretary of Labor for approval.

Over the next 18 months, the Department of Labor proposes to spend a total of $250 million for 30,000 jobs under this program.

Part C authorizes comprehensive youth employment and training programs, aimed at unemployed youth in low-income families; however, certain of the services such as counseling, information services, and job placement would be available to all youth.

The focus of this part is upon providing youth with the broad scope of services needed to develop marketable job skills designed to enhance their job prospects and career opportunities. To achieve this, training and employment would be interrelated and mutually reinforcing.

Comprehensive services provided to youth would include but not be limited to counseling, occupational information, skills training, remedial education, work experience and opportunities for job sampling, including vocational exploration in the private sector and other supportive services needed to enable youth to find and retain employment.

These programs would supplement programs and activities for youth now carried out by prime sponsors under title I, and be linked to such programs.

A total of $900 million is proposed to be spent over the next 18 months for 138,000 slots under this program. Half of the funds would be allocated to eligible applicants—the 446 CETA prime sponsors and certain Indian organizations—to provide meaningful employment and work experience in fields such as community betterment, education and health care, and appropriate training to enhance the job prospects of participants. Eligible applicants would be allocated funds based on their relative shares of unemployed persons and persons in families below the low-income level.

The other half of the funds would be available to the Secretary of Labor to encourage innovative and experimental programs. Three-quarters of this money would be available to eligible applicants on the basis of their applications to the Secretary. These applications would be judged by standards of local need, program quality, and the eligible applicant's record. The Secretary would use the rest of the money to develop and test innovative projects.

The participants under title VIII would be protected by labor standards, adequate supervision, and minimum wage provisions. They would in many cases be eligible for academic credit, and they would be working on useful projects that can be implemented immediately upon enactment.

Mr. Chairman, the Nation's young workers represent our future. We must move quickly to meet their critical needs by enacting H.R. 6138. I hope we can work together to accomplish this important end.

I will be happy to answer any questions you may have.

Mr. Hawkins. Thank you, Mr. Secretary, for a very able presentation. May I say, first of all, that any questions that I may direct are the type of questions that normally are directed to me as one of the sponsors of H.R. 6138, and do not necessarily indicate my own individual position. However, there have been several questions that have been raised with respect to the proposal. May I direct them to you in a general nature and allow you to answer them in a general way, because I think that might save more time than directing individual questions.

At least three specific points have been raised with respect to H.R. 6138. One relates to the necessity for fragmenting the approach further than what has already been done, which implies that there is already adequate authority for you to proceed under existing authority, particularly with respect to the Comprehensive Employment and Training Act. Why not use title III or title I, or a combination? Why fragment further any programs in which there is very little identification or distinction to be made between them? That is, can't you do under part A that which you are now proposing to do under part B?

What is the distinction between having a Conservation Corps in the city as distinguished from the rural areas? Cannot they both, in a sense, be incorporated? Cannot B and A, and B and C in some way be consolidated?

These are questions raised with respect to fragmentation.

A second serious objection which has been raised relates to the idea that this is more job creation, rather than a training skill development program that will allow young people to get out of the rut once and for all, rather than prolong in any sense their situation by merely providing some temporary work opportunities for them of a somewhat meaningless nature without a connection to education or any encouragement to stay in school or to go back and complete their education.

The third area is the question of targeting. If, indeed, we have a shortage of resources to provide solutions, why is it that the targeting is not more specific in that regard?

Obviously, under part B, almost any youth, so long as the individual is identified by an age group, can qualify for the program. Does the targeting under B simply relate to area? And in that connection, area is not really defined.

What is the area to which you make reference to several times in the proposal?

There are other deficiencies with respect to targeting. In many instances, the person would be unemployed for only 1 day and still qualify for the program. These are three general areas of criticism that are directed to me as sponsor of the bill. In raising them, I am not suggesting that we are not prepared to defend the proposal or to advance it aggressively in sponsoring it, but it seems to me they are questions that should be answered for purposes of clarification.

Secretary MARSHALL. Let me try to answer them in a general way in the time I have, and then my colleagues can enlarge on that, since I do have to leave. I would be glad to respond in writing to any other questions that you might have, or otherwise try to answer the questions that you have raised.

First: With respect to why there is a new title. It seems to us we could have done much that we had in mind doing under the existing provisions of CETA. However, we thought it was important to try to meet the needs of various groups of young people through a program that was not only addressed to the ones who are presently served by CETA—and, of course, many young people will continue to be served by CETA—but because of a much higher level of unemployment and because of the belief that targeting was necessary in order to address the unique problems of young people, we thought that a title of this nature was important.

The first program would have been much more difficult to accomplish without a new title. We think that part A is extremely practical. It meets certain of the problems that you now have in trying to operate through the CETA system in terms of being able to target specifically to youth conservation work in the national parks and national forests through an interagency agreement with the Departments of Agriculture and Interior.

We think that this is an extremely important part of the bill that useful work be done and heavy emphasis was given to that.

The young people would be supervised by the experts in the forests and parks. We do not believe that that would be a meaningless activity by any means.

With respect to the question of how meaningful it would be, we think there are a number of things within our proposal which would provide both meaningful work experience and training for young people, and we try to emphasize the connection between those. One type of training that many young people need is the experience of working and the discipline to work.

We think the bill provides opportunity to accomplish that and makes it imperative that we concentrate on doing meaningful work. That is the thing we tried to give heavy emphasis to. We thought that by the greater variety of activities permitted in our proposal that we would meet the needs of different types of young people who are unemployed and who have a variety of different problems.

The problem, for example, of a young person who has dropped out of school is quite different from the problems of people who are continuing in school. The problems of rural youth are different from the problems of urban youth. But the end results that we contemplate here is meaningful work and meaningful training.

As you know, as a part of our recovery activity, we are giving much greater attention to what we consider to be much more meaningful training for young people and trying to establish linkages between the public program and the private sector.

One example of meaningful linkages was with the apprenticeship training, and since we consider apprenticeship training to be good training, we propose to greatly increase apprenticeship training as a way to acquire skills. So what becomes possible under those programs is for people to continue their education.

We are exploring the idea of attaching not only education but educational credit to the work and, therefore, giving greater emphasis to that, but perhaps education benefits as well. So a person who served some time in a youth program might acquire credit toward continuing education.

We think those kinds of things could be done. That is the reason we have the innovative program part of the comprehensive youth employment and training part. So I can see some of the reasons for the objections, but I think the flexibility provided for our proposal makes it possible for us to meet those.

A great deal depends on how well we administer the program and how well managed the programs are. All I can do is to assure you that we intend to do everything we can to see that the work is meaningful, that the training is good training, and that the programs are administered as well as we can cause them to be administered. The variety of sponsoring agencies make it possible for us to meet some of the problems we expect in terms of overloading the CETA framework. That is an advantage of part A, working through the Departments of Agriculture and the Interior.

Mr. HAWKINS. Let me acknowledge the presence of the chairman of the full committee, Mr. Perkins, who is the cosponsor of the bill. I am sure he has a statement. I would like him to make his statement before you proceed.

Chairman Perkins.

Chairman PERKINS. Let me congratulate the distinguished chairman of this subcommittee, Mr. Hawkins, for the prompt attention he has given to one of the most pressing problems in the Nation, which, as you set out in your statement, is youth unemployment.

I likewise want to recognize the presence of one of our outstanding Secretaries of Labor in this country, the former Secretary of Labor, Willard Wirtz. It seems like it has been only a few months since he left the department, but I am very pleased to have the opportunity, Mr. Wirtz, to work with Secretary Marshall. I think he is going to be one of our outstanding Secretaries in the future.

I do want to state in welcoming you here, Mr. Secretary, that I want to assure that we in the Congress will give you our full cooperation in finding remedies to eleminate the unemployment problem among our youth. I am not sure that the committee will report out the identical legislation which the administration has submitted, knowing the way the subcommittee is constituted—with the varying viewpoints, like Al Quie and other good members of this committee—but I have a feeling that we in the House will be making some changes, and that our colleagues in the Senate will also be making some changes. But I do hope that we will end up with a bill that not only will be satisfactory to the House, the Senate, and the administration, but which will truly meet the needs of the young people in this country who are eager to work but cannot find employment.

I know that the distinguished chairman of the subcommittee, Mr. Hawkins, who is an authority on the problems of youth employment, has a number of detailed questions. I also know that his colleagues have a number of questions. Therefore, I would like to address myself only to one part of the administration's proposal, and that is the part which would create a National Young Adult Conservation Corps.

As you know, Mr. Secretary, a bill to create a Young Adult Conservation Corps passed the House last year by a wide margin. It is a concept I think highly of and one which I have been interested in for a number of years. We all remember the great work done by the Civilian Conservation Corps during the depression years, and all the permanent improvements existing in this country today. I sometimes wonder what would have happened in the past 30 years but for all those improvements made by the Conservation Corps back during the depression days. The corps ended, as I recall, along about the commencement of World War II, about 1941 or 1942.

More recently, we have seen the excellent work done by the Youth Conservation Corps. The Youth Conservation Corps, of course, is limited to the summer months. My hope has always been that this program could be extended into a year-round program, not only because it provides a fine program for the conservation of our parks and forests, but because it offers an opportunity for a rich and rewarding work experience for young people, an experience which will stay with them for the rest of their lives.

I would just like to have you, Mr. Secretary, comment on one point. You have requested that the National Young Adult Conservation Corps, and the other part of your youth employment bill, be authorized only for the period ending September 30, 1978. I am not sure that I see the reason for asking for such a short-term authorization, especially for a program like the Young Adult Conservation Corps.

To my mind, there would be nothing worse than to set up one of these centers, either on existing facilities or through the construction of new facilities, and then to shut the center down after it has been operating for 1 year. Now, a limited period of authority will be puzzling to the people in the country. As to the continuation and the great need for the program, you can see in every national forest and in every national park in this country it is going to pay for itself many, many times.

Why should we not extend this for a longer period of time, in your opinion? Is that just for budgetary reasons or something along that line? I know you, as brilliant a Secretary as you are, that you see this thing like myself, Secretary Marshall, and I know you have a Cabinet meeting, but if you would care to comment on that briefly, I will not ask any more questions.

I want to compliment you on being here, Mr. Secretary.

Secretary MARSHALL. Thank you, Mr. Chairman. I think that was a very good statement. I think we are in complete accord in our thinking on the Youth Conservation Corps, and we do see the parallel between it and the CCC program. I think we can recapture that, to some degree. I have talked with a lot of people who were in the CCC program and who had evaluated the experience.

Our thinking on this particular part is based a lot on that CCC experience, and we would like to see it as a permanent program. The main reason we recommend the termination date that we have here is that is when the CETA authorization would terminate—and we have in mind reexamining all of CETA on the basis of the experience we have, and recommending any recommendations that tend to flow from that reexamination—but I think that there will be strong support for this part, the Young Adult Conservation Corps.

Chairman PERKINS. Thank you, Mr. Secretary. I will not take any more of your time.

Mr. HAWKINS. Mr. Secretary, I realize it is beyond your time limit. However,—Mr. Quie asks to be recognized.

Mr. QUIE. Could you remain 2 or 3 minutes possibly or must you go?

Secretary MARSHALL. I must go, but I will be glad to respond either in writing or my colleagues will answer any questions you have.

Mr. QUIE. Will your colleagues remain?

Secretary MARSHALL. Yes, they will.

Mr. HAWKINS. Again, let me express our appreciation to you, Mr. Secretary, for being here today.

Secretary MARSHALL. Thank you.

Mr. HAWKINS. Mr. Quie.

Mr. QUIE. Thank you, Mr. Chairman.

I am pleased that Chairman Hawkins is moving ahead with the legislation. While I might have some pretty serious doubts about the administration's economic stimulus package and programs of public service employment and about the Federal Government being involved as directly as they are in hiring people who are adults, I believe that the problem is so serious with the young adults and the youth, the teenagers, that we need to move ahead with a strong Federal program.

We see a variety of proposals that have been introduced; I have introduced a large bill myself; we have seen the administration's bill; Mr. Sarasin has introduced a bill, and others have as well.

As I look at what has been introduced, I don't see there necessarily are partisan or philosophical differences that cannot be surmounted. We can, with the best understanding that we have, come to a logical conclusion and write a good piece of legislation, which is something that has been needed for quite a long time.

But the crisis is about on us now, so it is necessary for us to move as quickly as possible. I have some reservations about what you have recommended here, but I would say that there isn't anything that cannot be worked out, I think, in the wisdom of this committee.

I feel also—and I think that wouldn't make you feel that you had lost your package—that it would be possible to have increased opportunities for young people. No. 1: They need work. It has to be meaningful work and tied to their education as much as possible. So out of that you would have a much better educated person, with work experience, who is ready to assume his place in society and who would be accepted by people who are over 25.

At the same time, I believe we will be fulfilling the requirements of our land that are now being neglected. In conservation we can see the need for increasing the production of trees on the public lands, but when you look at all the other areas—in the cities, you don't have national forests and parks—there is a tremendous amount of conservation and recreation opportunities that could be fulfilled that we have tended to neglect.

The result of this, I believe, is that people will be able to point back to this period as they do to the CCC and say, from what they see—another kind of contribution different from that which was present under under the CCC—that this program as helped them.

I think that same thing can be true.

I feel, as the chairman has indicated, that it is too short a period of time that you are speaking of. We need a longer period of time to put this into operation.

One of the things we learned in the 1960's is that sometimes when you go into a crash program too fast, you make more mistakes than you should. It is nice to move as fast as you can, but that is too short a period of time. People won't do the development that is necessary in that kind of time.

I assume that I am just mostly making some comments and we will wait and ask questions later. Thank you, Mr. Chairman.

Mr. Hawkins. Mr. Weiss.

Mr. Weiss. Thank you, Mr. Chairman.

I could agree with just about everything that has been said. The concern I have, relates to the order of priorities and whether, in fact, the legislation that we have before us really sets up an effective order of priorities.

In part A of the bill—this is by way of a question—the only criteria that I can see in this section 801, the very first sentence, which indicates, "It is the purpose of this part to establish a National Young Adult Conservation Corps to provide employment and other benefits to youth who would not otherwise be currently productively employed."

Could somebody tell the subcommittee exactly what this means?

Mr. **Green**. I will try to, Congressman. The selection of participants would be done through the Employment Service and the CETA system. Section 803(a) indicates that enrollment of the Corps members will be selected by the Secretaries of Interior and Agriculture only from candidates referred by the Secretary of Labor.

Mr. **Hawkins**. There are age limits. There are no income limits on this section.

Mr. **Green**. Our attempt, in working with Agriculture and Interior, was certainly to look at park areas that are not necessarily long distances away from urban areas. One of the things that we discussed with Interior was the Gateway project, in New York, which is right outside of New York City, which is a sizable piece of Interior Department concern, and we feel that we——

Mr. **Weiss**. Let's take a look at Gateway. What kind of program do you envision for Gateway?

Mr. **Green**. Gateway has a series of improvement needs, both in terms of its physical makeup—the Interior Department will be following us today or tomorrow, testifying—but the Gateway project is to have facilities, benches, trail paths, reforestation——

Mr. **Weiss**. Could you go a little bit more slowly.

Let me—a lot of other things would be applicable but I don't think reforestation would be one of them. I think I know what is intended. What I am concerned about is who in fact is going to be given the priority for those positions if they are not otherwise currently productively employed, or for those people who have already dropped out of school? Are they people who are on vacation? Are they people who try to get jobs elsewhere and do not? Has any thought been given to trying to define what group you are going after?

Mr. **Green**. We are certainly after those who are out of school and out of work. 803(e) indicates that we are going after individuals who will be in it for an extended period of up to 12 months, so we don't have people dropping out of school and this would become a summer vacation project.

Our view is to enroll applicants who are in need of employment and who have been out of school, who are in the age quadrant of 16 to 22, and, as the Secretary indicated in his testimony, the age group 14, 15, 23, and 24 could through Secretaries regulations be enrolled.

Mr. **Weiss**. You know that the experience with the Youth Conservation Corps—the summer model for the YACC—is that it has been staffed, on the most part by or had as its enrollees, people basically from the white middle-class and upper middle-class community. There are very few low-income young people or very few minority young people in that program. Is there a concern—and I am sure there is a concern—or is there any design, plan, or proposal for making sure that there would be a greater or more effective outreach program so that that would not be the case in this program, and if so who is going to be doing that?

Mr. Green. The bulk of the recruitment will be done by the prime sponsors. We have a great deal of experience with the prime sponsor's ability on outreach so that we are very sure we can successfully recruit young people, minorities, men and women from cities as well as rural areas. Our view is that that will not be a problem as you outlined with the Summer Youth Corps project. We think we can adequately overcome that.

Of course, the other part of that is the determination of the location of sites. As I said, my personal interest, as Assistant Secretary, is to see that we have work sites that are near areas of high youth unemployment. I don't think it serves either the administration or our young people, to have them travel horrendous distances to go to work sites. My view, as Secretary Marshall outlined, is that we have great needs throughout the country and we can meet those concerns.

Mr. Weiss. I will just ask one more question, Mr. Chairman. Do you have any idea as to when you will have more specific information as to what criteria the Secretary will be using in making his recommendations to the other secretaries?

Mr. Green. We are finalizing the interagency agreements. We should be able to do that within 2 weeks time. I think we are near that point now.

Mr. Weiss. You will be forwarding that to us, won't you?

Mr. Green. Yes.

Mr. Quie. Would the gentleman yield?

Mr. Weiss. Surely.

Mr. Quie. What would your reaction be if we just let Interior and Agriculture administer the program?

Mr. Green. My view is that you would be further fragmenting the system. One of the things that CETA has done is to provide a comprehensive delivery system and if the Departments of Agriculture and Interior were to administer the National Young Adult Conservation Corps, you have a major portion of the employment delivery system not responding to an important piece of youth employment legislation. So I think you would have a serious mismatch. The way the administration has attempted to divide the responsibility is to allow the CETA system to be a major source of referral, which consequently makes the best connection, in my view.

Mr. Quie. I think the answer includes as well the fact that CETA has the authority to recommend. It is my understanding that the way that is going to operate—maybe I don't understand it correctly—will you have a national list from which Agriculture and Interior have to select the enrollees? When that happened in the teachers corps, it didn't work. I see it now in the selection of teachers for BIA, Indian education, and it does not work. Unless you can do this so that Agriculture and Interior are dealing directly with CETA——

Mr. Green. It would be the local prime sponsor, making the referrals under the administration's proposal.

Mr. Quie. They wouldn't have to go through the Department of Labor and get their lists out of the Department?

Mr. Green. We will be administering the Youth Adult Conservation Corps on a contract basis. One of the other points is we do make allowance for contracts with State agencies.

Mr. Quie. The legislation we had last year did include the States as well. I would be interested if the local CETA prime sponsors can make referrals. If they make referrals to the Secretary and the Secretary makes up a national list, then you get into the transfer all over the country, which again we have had so many problems with before.

Thank you.

Mr. Hawkins. Before recognizing Mr. Sarasin, may the Chair call attention to the fact that among the bills before this subcommittee during these hearings is H.R. 6044, which, at least in the opinion of the chairman, is one of the most innovative proposals that we have under consideration. I hope we do have witnesses who will direct some attention to this proposal because I think it does contain some rather stimulating new ideas.

At this time I am very pleased to recognize Mr. Sarasin.

Mr. Sarasin. Thank you, Mr. Chairman. I appreciate your comments on the bill.

I share the concerns that have been expressed by every member of the panel who has had an opportunity to speak. Our concern is that this administration proposal does not target very well. We are not getting to the heart of the problem, that is, the disadvantaged youth who need some skill training. I do think the legislation that I have introduced directs itself in this regard, but I have the feeling that through everything we have on the table, we have the ingredients for a pretty good plan if we could work out a way to put them together. I don't think anyone has a lock on the only good ideas.

In part B, Mr. Green, of the administration proposal, it seems to be more of a year-round version of the summer youth program. What percentage of those kids who receive the services would be in school?

Mr. Green. All of the part B participants—it is a year-long program—would be out-of-school youngsters. Part C allows for inschool comprehensive programs and the Secretary spoke of considering programs for inschool youth under the innovative program part of the bill. As you know, some of our title I programs involve inschool programs at this time.

Mr. Sarasin. But under part C of the program, it says to utilize half of the moneys for innovation and for experimentation, and so forth. I wonder if we wouldn't be as well served if we put "A" and "B" under "C" and ran them as pilot programs to see how they would work.

Have you had an opportunity to look at H.R. 6044, the legislation I introduced?

Mr. Green. I have not in any great detail.

Mr. Hawkins. If the gentleman will yield, may we request that the Department address itself to H.R. 6044 and submit to the committee as soon as possible its comments with respect to the proposal? Is that satisfactory to you, Mr. Sarasin?

Mr. Sarasin. Yes. Thank you, Mr. Chairman.

Mr. **Hawkins**. Without objection, it is so ordered.

Mr. **Quie**. Could I make the same request on the bill that I introduced?

Mr. **Hawkins**. Would you also include your views on H.R. 5022?

Mr. Weiss do you have a bill?

Mr. **Weiss**. Yes, I do. It is H.R. 4520.

Mr. **Hawkins**. Would you give us your comments on those three bills together so that the committee will have the views of the Department with respect to those proposals? We would appreciate it.

[Information requested follows:]

U.S. Department of Labor
Office of the Secretary
Washington, D.C., May 2, 1977.

Hon. Augustus F. Hawkins,
Chairman, Subcommittee on Employment Opportunities, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: This is in response to your request for our views on H.R. 5022, H.R. 6044, and H.R. 4520, the Omnibus Youth Employment and Training Act of 1977, the Youth Incentive Act, and the Youth Initiatives Act of 1977, respectively.

In considering these three bills, it should be emphasized that the Administration has developed and submitted a proposal for dealing with youth unemployment. That proposal, H.R. 6138, contains programs similar to many of the proposals included in H.R. 5022, H.R. 6044, and H.R. 4520. H.R. 6138 was developed with careful consideration given to its relationship to the President's economic recovery package and reflects the Administration's attempt to develop a balanced approach to the problem of youth unemployment within the overall framework for economic recovery. The costs of certain of the programs proposed in the three bills you have asked us to consider (e.g., the tax credit for apprenticeship expenses in title IV of H.R. 5022) are uncertain. We believe that the costs of those programs ought to be very carefully considered.

We note at the outset that some of the programs which these bills would establish would also be established by H.R. 6138, and that other programs could be funded under discretionary funds made available to the Secretary in part C of H.R. 6138.

H.R. 5022—THE OMNIBUS YOUTH EMPLOYMENT AND TRAINING ACT OF 1977

H.R. 5022 has four titles. Title I would create a new title VII to the Comprehensive Employment and Training Act (CETA), entitled Comprehensive Youth Employment and Training Services Program. This title would authorize the Secretary of Labor to provide financial assistance to eligible applicants for comprehensive manpower services for economicaly disadvantaged, unemployed or underemployed youth 15 to 24. Eligible applicants would include (1) prime sponsors, (2) counties or associations of counties not already designated as, and not already served by, prime sponsors other than a State, and (3) certain Indian tribes. The programs would emphasize training and development of work skills including education, employment, and on-the-job training for both in and out of school youth. The programs authorized by this title would also include orientation, outreach, counseling, supportive services, and referral to apprenticeship programs. Funds would be distributed to eligible applicants according to a formula based on the number of unemployed youth in a State and the number of youth in low-income families.

This title would also authorize the Secretary to make financial assistance available to prime sponsors to carry out a program of youth apprenticeship certification. Prime sponsors could, under such a program, certify an apprenticeship program for youth upon application of the employer. If the prime sponsor approved the application, the employer would be eligible for tax credits for expenses incurred in conducting the apprenticeship (see title IV). In addition, employers could pay subminimum wages during the first year of an apprenticeship.

Title II of H.R. 5022 would amend title III of CETA. It would add a new Part C, "National Youth Programs." Under this part, the Secretary would establish a youth community service program, operated by prime sponsors, to enable youth to perform useful and productive work on projects serving the community; to provide basic education and development of work skills; and to provide opportunities to gain work experience, on-the-job and apprenticeship training. The Secretary would fund 50 percent of the cost of a youth community service program operated by a prime sponsor, provided that prime sponsors matched funds made available by the Secretary. Prime sponsors would approve, where appropriate, applications submitted by eligible applicants (any Federal, State or local government agency, local educational agency or nonprofit organization) to provide services under this part.

Under this new part C of CETA title III, the Secretary would also establish a youth opportunities in private enterprise program to provide incentives and opportunities for private enterprise to hire youth or for on-the-job training or youth apprenticeships. The Secretary would make available 50 percent of the cost of operating such a program to prime sponsors provided that prime sponsors matched funds made available by the Secretary. Prime sponsors would make funds available to eligible applicants for operating a youth opportunity in private enterprise program.

This title would also authorize establishment of a work experience for in-school youth program to provide work experience integrated with education for youth in secondary schools. The Secretary would provide financial assistance to prime sponsors who would fund local educational agencies for jobs programs for secondary school youth. The program would be targeted on youth from low-income families who need work to remain in school. This title would also establish and fund occupational information and career counseling services, grants to colleges to train counseling personnel, and demonstration projects.

Title III of H.R. 5022 would extend the currently existing Youth Conservation Corps to make possible year-round employment of youth 19-23 (and youth 16-19 who did not leave school to enter the Corps). The grant program to the States under the existing program would also be extended. The Secretaries of Agriculture and the Interior would coordinate the program with prime sponsors operating programs under (the new) title VII. They would be authorized to make grants to prime sponsors for the purpose of carrying out projects on non-Federal public lands and waters.

Title IV would amend the Internal Revenue Code to provide a tax credit of 10 percent of a taxpayer's youth apprenticeship incentive expenses for apprenticeships certified under the youth apprenticeship certification program established by title I of the bill.

The programs which would be created by title I, II and III of H.R. 5022 are similar in many material respects to the programs which would be created by the Administration's proposed Youth Employment and Training Act of 1977, H.R. 6138. The Comprehensive Youth Employment and Training Services program created by title I of H.R. 5022, which would offer employment training, and supportive services to unemployed or underemployed, disadvantaged youth, is very similar to the program which would be authorized by part C, section 832 of H.R. 6138, both in terms of services offered and target groups. H.R. 5022's Youth Community Service and Youth Conservation Corps programs would closely parallel programs which would be established by parts A and B of our proposal. In addition, many of the programs which would be established by H.R. 5022, but which are not specifically authorized in our bill, such as the work experience for in-school youth program, could be established and funded an innovative and experimental programs under section 838 of H.R. 6138 either through the CETA system or directly by the Secretary. Moreover, H.R. 5022's selected emphasis on low-income youth, with recognition that some services and work projects should be available to all youth regardless of income, is reflected in the varying titles and eligibility criteria of the Administration's bill.

We believe, however, that H.R. 6138 represents a better approach to that offered by H.R. 5022.

H.R. 5022 would establish programs such as prime sponsor certification of apprenticeship program and a youth in private enterprise program that are essentially untested and which would require substantial sums in order to be successful. H.R. 6138, on the other hand focuses on administratively tested programs while retaining the flexibility necessary to test and experiment with various types of programs, including some programs in H.R. 5022.

H.R. 6138 would create a new Youth Adult Conservation Corps which would utilize the experience of the Departments of the Interior and Agriculture (as does H.R. 5022) in the daily operation of conservation camps. It also has the advantage of insuring that the Federal Government's employment and training programs are centrally coordinated by the Department of Labor. In addition to central coordination, the Department of Labor would, in consultation with the Secretaries of the Interior and Agriculture, establish standards for wages, hours, and safety and health and would insure coordination with not only prime sponsors but also with public employment service agencies and other sources of employment or training opportunities.

Title I of H.R. 5022 in section 706(g) provides that apprentices certified under the proposed youth apprentice program would not be employees for the purposes of the Fair Labor Standards Act, as amended (FLSA). This would deny apprentices the minimum wage and child labor protections afforded by that Act.

Section 706(d) of the bill would establish an hourly "allowance" for certified apprentices of $1.50 per hour and escalating in $.25 increments to 2.30 per hour at the beginning of the second year of the apprenticeship for each hour of training, experience or instruction.

Section 14 of the FLSA contains provisions concerning the employment of apprentices. We believe that section should apply to youth rather than the provisions of section 706(g) and (d) of title I of H.R. 5022. The criteria for determining whether an employer-employee relationship exists in work-training situations have been established under the FLSA and would apply to this program as they have in many others.

H.R. 6044—THE YOUTH INCENTIVE ACT

H.R. 6044 would enact a new title VII to CETA, Youth Incentive Program. The Secretary would enter into arrangements with prime sponsors to make financial assistance available in order to guarantee part-time and summer employment for disadvantaged youth 14–19 who resume or stay in school. Each prime sponsor would be entitled to receive "an appropriate portion of the total costs associated with providing such employment" as determined by the Secretary, for each youth provided with employment. Prime sponsors would be required to submit, as part of their comprehensive manpower plan under title I of CETA, a plan setting forth a youth incentive program guaranteeing employment for a maximum 20 hours per week for disadvantaged youth. The employment and training would be limited to providing needed community services. The bill would permit youth in on-the-job training or apprenticeship to receive, at the minimum, a wage equal to 85 percent of the minimum wage. Youth aged 14 and 15, could be paid a minimum of $1.50/hour. Eligible applicants (State or local governments or agencies, Indian tribes, educational agencies and institutions and other organizations) would submit applications for youth incentive jobs or programs to be considered for approval by the prime sponsors.

The full-time summer job program would be similar to what has been described above, however, employment would be for 40 hours per week. Applicants operating part-time job programs would be given preference for summer programs. Disadvantaged youth themselves could submit project applications if supervised by an appropriate agency.

The programs which would be established by H.R. 6044 focus on employing disadvantaged youth in community service projects. It would combine elements present in part B (community improvement) and part C, focus on disadvantaged youth) of H.R. 6138.

Many of the types of activities which would be established by H.R. 6044 could be carried out under part B or under part C of H.R. 6138, as innovative and experimental programs.

This bill provides for subminimum wages for youth in apprenticeship programs (section 704(8)(C)) and for 14 and 15 years olds (section 704(8)(D). The Department of Labor opposes the inclusion of such provisions.

H.R. 4520—YOUTH INITIATIVES ACT OF 1977

H.R. 4520 would establish a national youth service program to provide assistance to State and local governments and nonprofit organizations for the employment of youths. This bill would also establish an opportunity in private enterprise program to provide assistance to businesses employing youth. An Office of Youth Initiatives would be established in the Executive Office of the President to administer these programs. The President could designate any Federal agency to administer the program.

Funds would be allocated to States based upon the number of youth in the State and the number of persons below the low-income level. States would distribute money to local jurisdictions, or appropriate State agencies in areas not served by a local jurisdiction, based upon the number of youth, the number of low income individuals, and the rate of unemployment in the area. In order to receive funds, local jurisdictions would be required to transmit applications outlining a plan to carry out the programs established by this bill. State or local jurisdictions would use funds for projects submitted by eligible applicants (State or local government or nonprofit organizations) to provide goods or services of value to the community or Nation, including public service employment, rehabilitation of housing, local conservation, improvement of recreational facilities and services to children, the handicapped, the elderly and others.

The substantive provisions of H.R. 4520 are similar in many respects to various parts of H.R. 6138. However, we have serious concerns about the administration of the programs under H.R. 4520. The Federal agency designated by the President, would administer these programs without any apparent reference to the existing employment and training delivery systems operating under CETA. The bill not only would require creation of a new administrative mechanism at the national level, it would also create another delivery system, at the local level, avoiding use of CETA's existing systems. We believe this would fragment the Federal Government's response to youth unemployment. Lack of coordination with prime sponsors, which run other programs involving youth under titles I and III of CETA, could lead to duplication, overlap, and even competition in providing training and employment services to youth.

GENERAL COMMENTS

We wish to emphasize again that many of the programs in these three bills, such as the apprenticeship programs, can be funded on a selective basis either by prime sponsors or directly by the Secretary under part C of H.R. 6138. Many of these proposals are worthy of close examination by the Department. In light of our finite resources, however, we believe that not all of these proposals should be fully funded on a Nationwide basis at this time. Nevertheless, we feel sure that many of these proposals might be tested on a more limited basis under the terms of part C of H.R. 6138. In fact, in our view one of the very attractive features of H.R. 6138 is that it provides these discretionary funds enabling the Secretary to provide an appropriate mix of employment and training activities for youth. We agree that there is a need for academically-related work experience for youth attending school, for State-wide systems to deliver occupational, educational, and training information, and for other measures that will help young people move into career employment in the private sector. Such activities, including apprenticeship programs with which I have particular interest, will be given special consideration for funding under part C of H.R. 6138.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of H.R. 6138 would be in accord with the Administration's program. In summary, we urge enactment of the Administration's proposal, H.R. 6138, instead of H.R. 5022, H.R. 6044 or H.R. 4520.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

Mr. SARASIN. Thank you, Mr. Chairman. I have no further questions. Thank you, gentlemen.

Mr. HAWKINS. Mr. Le Fante.

Mr. LE FANTE. Mr. Green, I notice in Mr. Marshall's response to the chairman's question that he was very specific about attempting to strengthen the link with the private sector through an apprenticeship program. Do you know in essence how that would work?

Mr. **Green**. It will work somewhat like in the Job Corps where many of the building and construction trades directly sponsor subcontractors of the training and then are involved further in placement of the corps persons as they come out of the camps. The painters, the operating engineers, the carpenters, the plasterers—are all involved very heavily in our Job Corps experience.

In that sense, we have a very tight linkage between training and placement. Consequently enrollees go on into apprenticeship as a result of their Job Corps camp experience.

Mr. **Le Fante**. We have heard certain labor groups, particularly in the construction trades, say that if we authorize legislation requiring certain apprenticeship programs or if an apprenticeship to journeyman program comes into being, then cost becomes prohibitive. Has there been any research into that matter?

Mr. **Green**. We have some research on journeyman upgrading that we are presently funding. Nothing on a large scale, but it is an area that we at the Department have some knowledge of.

Mr. **Le Fante**. Do you think it could be developed on a larger scale?

Mr. **Green**. My personal view is, one thing that has to go on is to provide increased employment opportunity in the whole area which would put journeyman back to work. However, as skills become obsolete, we have to be able to help journeymen make bridges between technological changes, equipment changes, and understanding the new procedures. I think it is an area we could look further into.

Mr. **Le Fante**. I would like to pick up on one of the points that Mr. Sarasin made, under part C of the proposal, concerning the eligibility requirement. Do you feel this language should be utilized in other parts, specifically in part B? That is in line with Mr. Sarasin's suggestions that A and B be incorporated into C as a pilot project, because the language in part C is much more specific than A or B.

Mr. **Green**. The administration's approach was to recognize, as the Secretary outlined, different problems of young people and this was an attempt to give a flexible approach to the concerns, as we saw them, of many varied groups of young people. As you see, we put the bulk of the program cost into part C which is targeted on youth from low-income families. I think the Secretary expressed it very well, as I attempt to look at the balance of youth unemployment.

Mr. **Le Fante**. I have no further questions at this time, Mr. Chairman.

Mr. **Hawkins**. Mr. Green, just one question which I suppose is rather specific in this instance. Recognizing that in the supplemental, which we assume will be approved and sent down to the President soon, approximately $1.5 billion is available to the administration for use in the field of youth unemployment. What do you propose to do with that money? Are you going to spend it in reference to the programs presented in this bill or are you waiting until this bill is acted on before proceeding to spend the money which would be made available to the administration? And if so, what are we doing in this instance of trying to frame new programs at a time when the other money is going to be made available to you? How is this approach to be made, so that the committee will have before it some clarification of just what we are doing in the instance of the various bills we are conducting hearing on at the same time the money is being made available to the administration to spend?

Mr. Green. Mr. Chairman, as you know, the administration's stimulus package did include that $1.5 billion. That was one of the issues that the administration early on regarded as a priority item. We are hopeful that the subcommittee and Congress will move as quickly as possible so that we can incorporate the legislation into our planning and have a bill to move ahead on with the allocation.

Mr. Hawkins. May I remind you that $1 billion of that is available in fiscal year 1977, which doesn't give us too much time. Are you engaged in any planning at the present time to spend that money prior to the time we will be acting on a bill or bills, the final nature of which is not yet framed?

Mr. Green. This bill represents a great deal of staff work that has been done on implementing the program including planning for implementing some of these programs under the authority of title III of the CETA if necessary. We are running up against the end of fiscal 1977 on all of our items, but our hope is that this legislation will be addressed as quickly as possible and we would be able to incorporate the moneys that we will have with the final design of the legislation as it comes out of Congress.

Mr. Hawkins. What if we were to come out with something entirely different such as alter the allocation of the money? Assuming the committee will come out with something entirely different, what would be your position? I am just wondering what we are doing in the next several months. It is obvious that this committee isn't going to be able to pass a bill within a month's time. You have to have the House consider this legislation as well as the Senate. We are talking about several months. It would seem to me as if we are putting together some type of a program directed at a specific problem that has been discussed over national television and so forth, that the Congress and the administration will be doing something for you but it is not clear what are we going to be doing. I am not sure, and I am not trying to frustrate the participants in this drama, but I am wondering if you have any specific plans to move ahead prior to the time we are in a position to complete the work as we should on the proposal. If so, in what direction will you move under CETA, title III or under the existing authorization in the event that 4 or 5 months are used up in the legislative process? It is a practical problem that we are faced with, and I don't know what the answer is.

Mr. Green. Our hope would be that it will not take 3 to 4 months for the legislation to be enacted. In the meantime, we will proceed with planning for implementation under title III of CETA.

Mr. Hawkins. In other words, do I assume you are waiting on the Congress to act on pending bills before such time as the supplemental money is going to be spent?

Mr. Green. We determined we should ask for separate legislation and this represents our desire, the direction in which we would like to proceed. However, planning is underway for implementation of these programs under title III.

Mr. **Hawkins.** I am not going to prolong the colloquy, but I think it is something to be taken into consideration.

Are there any further questions? Mr. Pursell.

Mr. **Pursell.** Mr. Chairman, I yield to Mr. Quie.

Mr. **Hawkins.** Mr. Quie.

Mr. **Quie.** First let me make a comment in regard to the targeting of "A" and "B." I think it would be unwise to target "A" and "B" since we are serving dual needs—both the individual who needs a job and the service to the Nation that is to be performed. I think "C" ought to be targeted and the programs that are primarily for the benefit of the young person who is disadvantaged for one reason or another ought to be targeted, as you have done in "C."

However, when you have a dual purpose of providing assistance to the Department of the Interior and Agriculture in order to perform certain tasks that we have not done in the past because we don't feel we have the money for those kinds of conservation practices, and providing work experience, it would be unwise to have it limited to low income individuals. That is segregation. I don't think it should be limited because of economic reasons. That is segregation just like reasons of race. There are individuals that are disadvantaged and need that extra help in training, education, counseling, and so forth. I can see the reasoning for targeting and I want to——

Mr. **Hawkins.** Mr. Meeds, in his presentation before this committee——

Mr. **Quie.** He was very strong. There are questions I wanted to ask, however——

Mr. **Hawkins.** Does Mr. Pursell still yield to you?

Mr. **Pursell.** Yes. I do, Mr. Chairman.

Mr. **Quie.** On providing credits for the work that the young people are doing. Both in Mr. Marshall's testimony and in his response to the chairman of the subcommittee, it sounds like the Department of Labor will provide credit. I don't understand that. It seems to me the educational institution will determine whether they will provide credit and you can let the companies provide the information necessary for them to determine that.

Mr. **Green.** That is precisely what we think.

Mr. **Quie.** Many people, when you say that, start getting alarmed that you have started running a dual education system. You talk about a double link in the Job Corps. Could you provide for us what you have in mind in the way of the new centers that you are talking about, the kind of personnel, how this would be established, and the lengths of time necessary to put those extra 2,000 or so people into the Jobs Corps? If you could provide that we would appreciate it. What we need to do is establish a judgement whether we want to go into that kind of severely disadvantaged individual, or what we want to use as a means for individuals. Could you do that?

Mr. **Green.** The Job Corps expansion is already underway. Basically we are attempting to limit the size of a Job Corps camp to 250 or 350 as a reasonable medium sized camp, rather than some of the larger camps that we have had in the past. Among the other things we are attempting to do is locate camps nearer our urban centers so enrollees don't have long travel distances.

We are using the RFP procedure to bring in additional Job Corps sponsors and, of course, we have already in the staff work entertained expansion requests from both Agriculture and Interior. We are looking at the models that have been the most successful. The building and trades people are of course, interested in the expansion activity. Our general view is that while we expect to be by the end of fiscal 1978 up to the additional 44,000 number, we will be able to reach that goal with minimal problems. We have continuing staff work going on identifying the sites and looking at the sponsors.

Mr. **Quie**. How many sites are you talking about?

Mr. **Green**. We had an adjustment of the number of sites. Originally we were talking about 70 new sites; now it comes to 55 new sites.

Mr. **Quie**. When will we know where those are located?

Mr. **Green**. We can forward some of them in the next 2 weeks. The process of identifying them involves some engineering work, as well as community relations work, the linkage question for all 55, and so you will not have them in the next few weeks.

Mr. **Quie**. I was wondering when will the last one be known?

Mr. **Green**. To meet the additional 22,000 enrollment, we will have to have the last one identified sometime this summer.

Mr. **Hawkins**. Mr. Pursell.

Mr. **Pursell**. It would be helpful before we adopt this general program, which I generally support, that you develop specific rules and regulations. The problem of distribution—how the program really works—is something that is not able to stand the test of public scrutiny as the piece of legislation is today. It would be helpful to the committee if it could have the specifics ahead of time.

I think some of the questions deal with the urban areas, and we want to see some of the specifics so we know conceptually that we are doing a job for the young people, so that we have a good program. In principle, it is a good document, particularly Mr. Sarasin's and Mr. Quie's which gives us some built-in educational parameters. Also I would hope, Mr. Chairman, that we would have more specifics on the bill as a committee so we could work and do the job for the person who is interested in this type of program.

Mr. **Hawkins**. Mr. Weiss.

Mr. **Weiss**. Mr. Green, to what extent are you developing programs for the participation of young women in either "A", "B" or "C" or all of them?

Mr. **Green**. In both "B" and "C" we expect very full participation of women. In our Job Corps expansion we are moving to a point of pretty much half and half enrollment of men and women. The Secretary has spoken a number of times about discrimination from a number of vantage points. Sex discrimination is an issue which he has instructed the department to move ahead on, so it is a matter of determining which job sites are precluding the enrollment of young women. We are working with Agriculture and Interior so that job sites for any job function would be able to utilize women as well as men.

Mr. **Weiss**. Do you have any statistics or records as to what the percentage of women is now, both within the Job Corps and the Summer Conservation Corps?

Mr. **Green**. We could furnish those to you on the Summer Conservation Corps.

Mr. **Weiss**. Would you, please.

Mr. **Green**. The Job Corps is about 25 percent women at this point I think. I will furnish those to you.

Mr. **Weiss**. I guess one further followup question on the path Mr. Hawkins was pursuing: If we are talking about one amount—a $1.5 billion supplemental appropriation—and we are also talking about one 18-month period, assuming this legislation does not get adopted, as the chairman indicated, 3 months from now or 4 months from now, does that mean you cannot use this entire $1.5 billion? What are your plans for utilizing the minimum funds in the course of this year and a half?

Mr. **Green**. Our plans are, Congressman, to, as we laid out in the stimulus package, move ahead on these programs. My hope is we will not have this problem, we will be able to work it out, that the bill will move quickly, and we will not be faced with that problem. The administration is clearly ready to go with speed in getting the program activities directed to the problem of youth unemployment. This was a major portion of the economic stimulus package. My view is we will not have this as a problem, and we will be able to coincide our program dollars with the final constraints of the legislation.

Mr. **Weiss**. Could you not be prepared to use some of those moneys immediately, whether this or a combination or package of legislation gets adopted, and III, of CETA? Do you have that as a backup position or ready-to-move position?

Mr. **Green**. We are ready to move under title III, that is on the $1 billion for 1977 and one-half billion for 1978.

Mr. **Weiss**. Then you are ready to move whether this or any combination of it gets adopted or not?

Mr. **Green**. We are ready to move; yes.

Mr. **Weiss**. Do you know at this point how much you would be spending in each category pending the legislation being adopted?

Mr. **Green**. The outline of the figures are roughly 60 percent would in part C, but on the other parts we would generally like to spend in the proportion outlined in the President's message. As we indicated earlier, the bulk of it, is to be spent through the CETA system, and it would be fairly easy to move that through the system, receiving plans from the sponsors and moving the money and getting the program out.

Mr. **Hawkins**. Thank you very much.

Mr. Quie.

Mr. **Quie**. Judging from your answer on the Job Corps, the expansion will be primarily for women because if you are going to be half women and half men, three-fourths of the new slots have to be for women. Only one-fourth of the present Job Corps is for women. If you are going to meet this, you are going to have to have three-fourths of the increase for women.

Mr. **Hewitt**. As you point out, almost all the increase might be women.

Mr. **Hawkins**. But it would still not comply with the original directive, that half would be women. When was that? In 1967 we directed that, and that has never been achieved. Of course, there were a lot of qualifications, as I recall, in that directive, but that was the goal. You are saying that 50 percent of the increase is the ratio that would be carried out as to the existing enrollment. I think the answer was about 30 percent, so that would leave you still under with respect to enrollment of women. Is there a lack of interest in the Job Corps among women that causes that underenrollment?

Mr. **Green**. Not being able to speak for the past record of the Job Corps, I can only say it is clearly a desire of Secretary Marshall to move to the point of 50 percent women in the program. We haven't seen any lack of interest of young women in Job Corps camps. Again, we can check the figures. It seems that 25 or 30 percent of the present enrollees are young women and we would try to move the additional increase to arrive as close to 50 percent as we could.

Mr. **Hawkins**. Are there any further questions?

Mr. Sarasin.

Mr. **Sarasin**. One further question, Mr. Chairman. I have the feeling, from the responses of Mr. Green to some of the questions that have been asked, that you know what you are going to do with the $1.5 billion, that you are ready to spend it, whatever we do. So it doesn't make any difference. We can sit here and——

Mr. **Edes**. Mr. Sarasin, one of the reasons we decided to in fact propose a new title was indeed to get a clearer congressional input and view toward how in fact that money should be spent. Clearly we could have gone ahead with the expenditure of that $1.5 billion over the next 18 months along the lines we wanted to under the terms of the stimulus package that is now before the Senate. But it is our desire, and it was the President's hope, that we could approach this in a way that we can cooperate and move in this effort, because it is a difficult problem and one in which there are various viewpoints. We would hope you would be able to move as quickly as possible so we would not have the divergence of views.

Mr. **Sarasin**. What if we shift direction dramatically and come up with a new concept, a new proposal?

Mr. **Edes**. We would hope we could be persuasive with you that there would not be too much of a dramatic shift.

Mr. **Hawkins**. The record will be kept open for the specific questions that we don't have time to develop this morning and we would request the Administration to respond to the specific questions, many of which will be of a technical nature, from members of the committee. The members of the committee should get those questions to us in the next day or two. Without objection, that material will be entered in the record at this point.

[Answers and questions requested follow:]

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 29, 1977.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Subcommittee on Employment Opportunities, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am happy to provide you with the information you requested with respect to our bill for youth, H.R. 6138. I am enclosing answers to the questions you posed, those of Mr. Weiss, and those of Mr. Quie. I will transmit to you separately our views on H.R. 5022, H.R. 6044, and H.R. 4520.

Please feel free to contact me or my staff for any further assistance you may require.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

Enclosure.

1. *Sec. 801.* How does one determine "would not otherwise be productively employed?" Does this mean currently unemployed and no job prospect? If this reflects an eligibility criterion, should it be more explicitly stated?

A. The intent of the clause is that the youth be unemployed at the time of selection.

2. *Sec. 803(b)(1).* If a youth drops out of school to seek work, does this disqualify him? Are the 14-16 year olds subject to child labor provisions of FLSA?

A. Section 803(b)(1)(A) requires that the youth provide assurances that he or she did not leave school for purposes of participating in the program. We will develop regulations in accordance with this assurance requirement. The child labor provisions of the FLSA will apply to youth under this bill.

3. *Sec. 803(e)(2).* Why is need of money to return to school disqualifying?

A. The National Young Adult Conservation Corps is not designed to be interim summer employment for regular students. The Summer Employment Program for Economically Disadvantaged Youth (SPEDY), and local option summer jobs programs under title I of CETA provide this. In addition, the existing summer Youth Conservation Corps conducted by the Departments of Agriculture and Interior will continue.

4. *Sec. 804(b)(6).* How are these employees different from the part-time employees except for their rate of pay? What protections against substitution do you envisage? Why this program rather than higher appropriation for the park service, forest service, etc.?

A. Participants in this program will differ from normal park employees in that they will be screened for eligibility as unemployed youth, and will be youth who have most likely experienced more severe problems in obtaining and holding jobs than regular park employees. Work assignments will necessarily be made in progressive steps of responsibility and difficulty, an essential difference between work experience and regular employment. Supervision will be more intensive. Youth will also participate in counseling activities not found in part-time jobs. We feel that targeting of recruitment, and provision of some comprehensive services isn't the same as the kind of part-time employment program presently run in the parks. Section 851 of title VII provides that positions under this title shall not be substitutions.

5. *Sec. 804(c)(1).* Does this mean without cost to enrollee?

A. The view of the Department of Labor is that transportation, lodging, etc. shall be without cost to the enrollee.

6. *Sec. 805.* What does reference to title II of SSA mean? Some Federal employees are under social security, others not.

A. This means that Corps participants will be earning eligible quarters for social security retirement benefits while in the Corps, and that employer and worker deductions will be made. These youth will not be covered by the separate Federal retirement system, under which most career civil servants participate in lieu of the FICA system.

7. *Sec. 805(b)(1).* Under FLSA, wage includes reasonable cost of board and lodging (Sec. 3(m)). Do you intend to pay $2.30 cash? Will the work done in these camps be significantly different from that done in Job Corps conservation centers? How do you explain the difference in pay?

A. The cost of board and lodging is not to be deducted from the $2.30 wage. While the types of work in the Part A program and in the Job Corps conservation centers may be similar, the approach to the employment, work experience and training differs. Job Corps members are selected exclusively from the severely disadvantaged population and therefore are provided with intensive basic and remedial skill development, education, medical and dental, and other services. YACC participants will not require the wide range of extensive supportive services and training that are the hallmark of the Job Corps program.

8. *Sec. 806.* Whose employees will these enrollees be? Subject to what laws?

A. These youth will be considered Federal employees for purposes of the Tort Claims Act, FECA, and title II of social security; however, they are not in an employment relationship otherwise, but merely participants in a Federal program.

9. *Sec. 812(3)(A).* Any priorities among youths?

A. It is advisable to have flexibility in this system so that youth who are in particular need of employment, from all segments of the population, can receive fair consideration for these jobs. However, in setting up recruitment systems, I would anticipate the Department identifying target groups.

10. *Sec. 813(a).* What ages are eligible youth in the distribution formula? Does youth unemployment data exist on a prime sponsor basis? If so, supply for the record.

A. Funds under part B will be offered to eligible applicants under a Solicitation of Grant application process rather than distributed by formula. Youth unemployment data are available in a regularly published series only at the national level. While precise data on youth unemployment do not exist at the prime sponsor level, it is possible through proxies such as applicant files of the public employment service to ascertain gross measures of relative severity of youth unemployment.

11. *Sec. 817.* Prime sponsor has to give reason for disapproval of a project. Does the Secretary of Labor? Why not?

A. Projects authorized by part B will be offered to eligible applicants under a Solicitation of Grant Application process that is consistent with the requirements of Federal Management Circular 74-4, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," as well as regulations pursuant to part B, and program specifications that will be outlined in the Solicitation of Grant Application package. Criteria for competitive award will be published in the *Federal Register*. The Department will make technical assistance available to eligible applicants during the presubmission planning period. During the award process, the Secretary will authorize the renegotiation of proposal modifications in order to better comply with proposal specifications, if appropriate. Unsuccessful applicants will be able to receive a briefing outlining problems with their proposals.

12. *Sec. 816.* Describe the steps from the development of a project to its approval by the Secretary, giving appropriate time intervals.

A. The Secretary will announce availability of part B project funds under the Solicitation of Grant Application process. All CETA title I prime sponsors will be sent preapplications and 'SGA' packages developed under regulations previously published by the Secretary pursuant to Part B. Preapplication forms will be due returned in one to two weeks, 'SGA' packages will be due returned completed after a full thirty days have elapsed since receipt by prime sponsors. It is anticipated that the regional and national evaluation and award process in the *Federal Register* to actual grant awards to prime sponsors should run approximately 70 to 80 days, allowing for the disbursal and collection of documents, and some renegotiation. However, it is important that projects be well-designed and of high quality. In some cases this may take more time.

13. *Sec. 817(b)(2).* Does this mean that there must be provision for in-school youth in every project or only in those projects which choose to hire in-school youth?

A. Under Section 817(b)(2) of part B, one intent of "projects" is to include in-school youth wherever possible. It is expected that project applicants will explain in their Community Improvement Design whether or not in-school youth will be actively recruited for project work experience.

14. *Sec. 833(a)(1).* Why not use youth unemployment in your distribution formula?

A. Youth unemployment data are not available in a regularly published series for prime sponsor jurisdictions.

15. *Sec. 835(c).* Does this not give an incentive to drop out?

A. The question regarding the potential for programs such as Comprehensive Youth Employment and Training to act as an incentive for youths to drop out of school is real and should be carefully considered. Our position is of course to discourage youth from dropping out of school specifically to qualify for programs under the new title. However, in proposing the bill, we have recognized that a major reason many youths leave school is economic, along with poor achievement and behavioral problems. Youths who left school because they needed money and jobs are at the center of the target group we wish to reach. During the application phase of program enrollment, questions regarding the length of time the individual had been out of school and the length of time he or she had been seeking employment would be asked the potential enrollee. In addition, we would expect that, where appropriate, contact would be made with the individual's school counselor in an attempt to verify whether the applicant applied to the program in an attempt to leave school.

16. *Sec. 851(j)(3).* Can you describe some projects to which Davis-Bacon would be applicable that would cost under $5,000? How many of these do you think there might be?

A. Projects to which Davis-Bacon would be applicable and cost less than $5,000 would most often be those activities which are short run. For instance, a community may wish to contract for refurbishing an old building and turn it into a museum. Four youths at four dollars per hour, 30 hours per week and one supervisor/trainee at seven dollars per hour plus materials could finish a remodeling job such as this in six week. Job activities could include roofing, painting, latering and landscaping. We estimate that 10 percent—15 percent of the projects will be in this category.

17. *Sec. 3(a).* Why are you providing a FY '77 authorization? Are you planning to ask for an appropriation? What effect do you think the enactment of this bill will have on the program that you will have started under title III before this is enacted?

A. The President's "Economic Stimulus Package" includes a request for $1.5 billion for the three youth programs included in H.R. 6138. Of this amount, $1.0 billion is requested for FY 1977 and is the reason we included a FY 1977 authorization in the new bill. Using the latitude the Department has under title III to create targeted CETA programs, we have done our best to try to parallel the development of a prototype for this year with the evolution of the bill. This is in many respects a compilation of congressional thinking on the serious youth unemployment problem. However, enactment of H.R. 6138 will facilitate the implementation of the programs.

18. If this bill is enacted, do you still need a waiver of Section 4(e) for FY 1978?

A. Yes, because funds requested in FY 1978 for the other programs included in the "Economic Stimulus Package", the expansion of the Job Corps program and the Summer Youth Employment Program, all of which are authorized under titles III and IV, would still exceed the 20 percent limitation of Section 4(e).

19. With respect to the Department of the Interior and Agriculture's Job Corps Conservation Camps.

A. Before responding to the individual queries, a general statement is appropriate. We do not keep statistics in the detail necessary for precise answers in every case but can provide adequate responses as outlined below. These responses are based on FY 1976 data and the year end capacity of 5264 for the 27 CCC's in operation (USDA-17; USDI-10). Within that capacity, 5,200 work-years of training were generated and over twice that number of enrollees were trained in the program.

(a) What was the percent of FY '76 graduates who received union cards?

A. 1586 Corpsmembers graduated from the union training programs in CCC's. 1138 or 72 percent of these were placed by the unions in training related jobs. While we do not keep records of those receiving union cards, it can be assumed that a large percentage of these were placed with unions.

(b) What was the average number of hours that each enrollee in FY '76 spent in classroom work?

A. The computation for this is based on a corpsmember work-year of approximately 2000 hours of duty time. Approximately half of this time (1,000 hours) is spent in education and half in vocational training. In the latter, approximately 20 percent (200 hours) of the time is spent in vocational classroom work and 80 percent (800 hours) in actual work. Therefore, approximately 1,200 hours were spent in classroom work.

(c) What was the average number of hours that each enrollee in FY '76 spent in work or work-experience, including on-the-job training?

A. As noted above, 800 hours were spent in work or work-experience, including on-the-job training?

(d) What was the value (in dollars) of the FY '76 work completed by the enrollees?

A. The estimated appraised value of vocational skills training projects (work) in FY '76 was $14 million.

(e) What was the total number of hours spent for the work accomplished by the enrollees in FY '76?

A. In arriving at this response, consideration must be given to the type of work that results in the projects which generate the estimated appraised value shown above. Approximately 60 percent of the 5200 work-years, or 3120 work-years, is devoted directly to such projects. At 800 hours per work-year, that equates to approximately 2.5 million working hours spent directly on those projects. The remaining 40 percent of the work training effort is used in maintenance of the program and consists of training in such vocational offerings as cooking, forestry aide, custodial maintenance, stock clerk, and so on.

(f) What was the average pay per enrollee, in FY '76, for the work accomplished (divide cash payments to enrollees by the number of hours worked).

A. Corpsmembers are not paid a salary. Under the provisions of title IV of CETA, corpsmembers are given a living allowance. This allowance provides for personal items and ranges from $30 to $50 per month depending upon the tenure and performance of the corpsmember. The average allowance per corpsmember work-year for FY '76 was $950.

20. When Secretary of Labor Marshall testified before the Senate Subcommittee on Employment, Poverty, and Migratory Labor on April 20, 1977, he stated that an increase from 35,000 to 50,000 enrollees in part A (H.R. 6138 and S. 1242) would be acceptable to the Administration. If this action were to be taken, would it mean that funding for another part of the bill would be reduced?

A. If the Congress accepts the $1.5 billion recommended by the President, as we wish, then an increase in funds for part A would have to come from reductions elsewhere.

21. When will the new Job Corps centers be chosen, time frame; personnel, etc.

A. The plan is to increase the current Job Corps program to 44,000 slots by September 30, 1977. This will involve the establishment of 15 to 30 new centers. The remaining increase to 44,000 funded slots will occur in FY '78 involving a total for both fiscal years of 45 to 70 new centers. Approximately 7000 new center staff will be required to operate these new centers. We anticipate a total FY '77 budget of $274.1 million and a FY '78 budget of $487.1 million to fund this increase in program size.

22. Statistics on number of women in the Job Corps and SPEDY.

A. Currently, 6997 slots are funded for females in the Job Corps, or approximately one-third of the total. The goal is to serve women in 50 percent of the total slots as a result of doubling the program. Of 933.000 youth served during the summer of 1976 in the Summer Program for Economically Disadvantaged Youth (SPEDY), 46 percent of the participants or about 430,000 youths were females.

23. Would like to see regulations that are in process for 803(b)(1)(b). Those are the special regulations for 14–15 and 23–24 participants.

A. We have not at this point drafted actual regulations on conditions under which youth 14–15 and 22–23 could be enrolled in Part A projects. This option to lower and raise age limits that is included in the April 6 bill has been suggested by members of Congress and public interest groups which felt a blanket 16–21 policy was too restrictive, and didn't consider special local circumstances or special cases. What we would like to do now is further explore these circumstances before we promulgate regulations. At present, we see regulations authorizing the Secretary to grant waivers to individual operators under the following kinds of circumstances:

a. The sponsor has demonstrated that State mandatory school attendance laws only extend through age 14.

b. The sponsor's work experience program (in compliance with State and Federal Child Labor Laws) allows youth 14–15 some range of work opportunities.

c. Youth 22–23 do constitute a critical portion of the unemployed workforce in the program sponsor's area, upon presentation of demographic and labor market data.

d. Youth in either age waiver category are members of sub-population target groups with particular barriers to employment: wards of court, young offenders, youth from ethnic and racial minority groups, etc.

24. Criteria for selection under part A.

A. Section 803(a) of part A of the National Young Adult Conservation Corps detailing "Selection of Enrollees" states youth . . .

1(a) Shall have attained age 16 but not 22, in addition, those who are 16 but not 19 and give adequate assurances that they did not leave school for the purpose of enrolling in this program.

(b) May be 14 but not 16 or 22 but not 24 under regulations the Secretary may prescribe.

2. Shall be a "citizen's or lawfully admitted aliens.

3. Shall be physically and mentally capable of carrying out the work of the Corps for the estimated duration of the individual's enrollment.

(c) Preference for membership in the Corps shall be given to those areas having a rate of unemployment equal to or in excess of 6.5 percent.

(d) Referral of candidates may come from public employment service offices, prime sponsors under title I, the Secretary of Interior, Agriculture and such other agencies and organizations as the Secretary may deem appropriate.

25. *Fifty Percent Discretionary Funding:* Under part C, how would you distribute the money? By condition of unemployment? By region? Is there an equitable formula for distribution of funds?

A. Section 833 of part C provides for the allocation of funds in the following manner: 50 percent of the funds available for the part are to be allocated to prime sponsors for carrying out section 832 programs, based on the following formula: 75 percent allocated on the basis of the relative number of unemployed persons in each jurisdiction and 25 percent allocated on the basis of the relative number of persons in families with an annual income below the low income level. The remaining 50 percent of the funds for part C are to be used for innovative and experimental programs authorized under section 833. Of this amount, 75 percent will be available to prime sponsors based on the following three criteria: standards of local need, program quality and the prime sponsor's record. The rest on the money would be available to the Secretary to develop and test innovative projects.

26. *Apprenticeship Training:* How do you see this bill fitting into a modified apprenticeship training program? Will parts B and C be tied into apprenticeship programs?

A. The Department of Labor will assure that programs under parts B and C are tied into apprenticeship programs, as appropriate, through our existing apprenticeship outreach and pre-apprenticeship training initiatives.

27. *Demonstration Programs:* Under part C, will there be national demonstration money for a "Skill Training Improvement Program?" Under the new initiative section of part C will there be a project which will demonstrate what effect increasing and improving the quality of training may have? Is it possible that there could be a demonstration project dealing with the special unemployment problems of "Port of Entry" youth?

A. The Skill Training Improvement Program is a separate initiative being conducted under title III of CETA, for which funds have been requested as a part of the President's economic stimulus package. The purpose of this program is to upgrade the level and quality of skill training available under employment and training programs, and to provide experienced but permanently displaced workers with new skills. The other two suggestions are possibilities to be considered for funding should H.R. 6138 be enacted.

Mr. HAWKINS. Mr. Green, Mr. Hewitt, and Mr. Edes, we thank you for your presentation this morning. Also, we want to express our appreciation for the Secretary being here this morning. The Secretary's cooperation has been excellent, and we expect that cooperation is going to continue. Thank you very much.

Mr. GREEN. Thank you, Mr. Chairman.

Mr. HAWKINS. The next witness is the Honorable Rupert Cutler, Assistant Secretary for Conservation, Research, and Education, U.S. Department of Agriculture.

We welcome you before the committee and look forward to your testimony. Your prepared statement will be entered in the record at this point, without objection.

I understand you are accompanied by Mr. Leon Anderson, who is the Director of Human Resource Programs, U.S. Forest Service, of the U.S. Department of Agriculture.

Mr. Anderson, we welcome you, also.

STATEMENT OF HON. RUPERT CUTLER, ASSISTANT SECRETARY FOR CONSERVATION, RESEARCH AND EDUCATION, ACCOMPANIED BY LEON ANDERSON, DIRECTOR OF HUMAN RESOURCE PROGRAMS, U.S. FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Cutler. Thank you, Mr. Chairman.

Mr. Hawkins. Mr. Cutler, would you suspend for just 1 minute until the room is cleared?

Thank you. You may proceed.

[The statement of Mr. Rupert Cutler follows:]

Prepared Statement of M. Rupert Cutler, Assistant Secretary for Conservation, Research, and Education, U.S. Department of Agriculture

Mr. Chairman and members of the committee: Thank you for this opportunity to present the views of the Department of Agriculture on proposals to establish a National Young Adult Conservation Corps.

The Department of Agriculture recommends that H.R. 6138 be promptly enacted in lieu of H.R. 30 and related proposals.

H.R. 6138 embodies the Administration proposal to add a new "Title VIII—Youth Employment and Training" to the Comprehensive Employment and Training Act of 1973 (CETA). Part A of the new title would establish a National Young Adult Conservation Corps, administered by the Secretaries of Agriculture and the Interior under agreements with the Secretary of Labor.

Up to 12 months of employment could be provided for persons between the ages of 16 and 22 on Federal and non-Federal public lands and waters. The Secretary of Labor could prescribe regulations under which those between the ages of 14 and 16 and those between the ages of 22 and 24 could also participate. The Secretaries of Agriculture and the Interior could make grants or enter into agreements with States, public agencies, and nonprofit organizations for the operation of Corps projects. Such sums as might be needed would be authorized to be appropriated for fiscal years 1977 and 1978.

We are pleased that there appears to be general agreement between the Administration and many members of Congress regarding the major elements of and the need for a special conservation work program for young adults. Although the proposals are quite similar, we believe the Administration proposal embodied in H.R. 6138 contains several features which make it superior.

First, H.R. 6138 presents a coordinated, comprehensive program that deals with all aspects of youth employment and training within the framework established by the Comprehensive Employment and Training Act of 1973 (CETA). Although our involvement will be limited to the conservation work portion, namely the National Young Adult Conservation Corps, we recognize that the total Federal response to youth unemployment should not be approached in a piecemeal fashion.

Referral of Corpsmembers from the public employment service, CETA prime sponsors, the Secretaries of Agriculture and the Interior, and from other agencies and organizations will help insure that the National Young Adult Conservation Corps is recognized and used as an important element of cooperative efforts by Federal, State, and local governments to employ young adults.

Second, the Administration proposal is designed to encourage at least a moderate amount of tenure among Corpsmembers which will increase the program's effectiveness while reducing administrative costs. Within the 12-month limit for individual participation, the Administration proposal would permit individuals to enroll for up to one 12-month period, two 6-month periods, or three 4-month periods. In contrast, H.R. 30 and some related proposals would permit an unlimited number of enrollments within the 12-month individual limit.

A related feature, unique to H.R. 6138, would permit an individual who attained the maximum enrollment age to complete his 12-month enrollment period if his enrollment is continuous after attaining the maximum age.

Third, H.R. 6138 would not allow Corps enrollments solely for the purposes of membership for the normal period between school terms. This provision is designed to prevent short-term summer enrollments that would reduce the number of positions available to persons who had completed school or left school for another reason. The National Young Adult Conservation Corps is neither to compete with nor be a substitute for the Youth Conservation Corps which is primarily a summer program for those between the ages of 15 and 19.

Fourth, H.R. 6138 would permit the Secretaries of Agriculture, the Interior, and Labor to coordinate the National Young Adult Conservation Corps with all related programs, including the Youth Conservation Corps and Job Corps. In contrast, H.R. 30 and some related proposals would require the Secretaries of Agriculture and the Interior to prohibit, to the extent practicable, Young Adult Conservation Corpsmembers from sharing, at the same time, common projects or facilities with Youth Conservation Corpsmembers. We recognize that certain Corpsmember characteristics and working conditions will require separate projects and facilities. We anticipate, however, that there may also be cases where members of the National Young Adult Conservation Corps, the Youth Conservation Corps, and the Job Corps can effectively share work projects, dining facilities, recreational activities, and vehicles. The Secretaries of Agriculture, the Interior, and Labor should have the discretion to coordinate or separate the three Corps programs as local conditions warrant.

The Forest Service and cooperating State forestry agencies have identified a substantial volume of conservation work, much of which might be accomplished by young adults and which meets the criteria in sections 804(a) and 804(b) of the new CETA title proposed by the Administration. A brief description of some of the labor-intensive work opportunities on lands or facilities administered by the Forest Service is attached to this statement. Hiring can begin as early as this summer if the Administration's bill and the pending appropriations request are quickly enacted.

In anticipation of prompt action, we are working with the Departments of the Interior and Labor to develop plans for rapid program implementation. However, much of the preparatory work, including facility maintenance, staff recruitment, and supply purchases, must await completion of congressional action on funds the Administration has requested.

We believe H.R. 6138 represents the best approach to the problem of youth unemployment, and we look forward to working with you and the Committee to establish a National Young Adult Conservation Corps that will be enthusiastically supported by the majority of the Congress, the Administration, and most Americans.

This completes my prepared statement. I will be pleased to respond to any questions.

EXAMPLES OF LABOR-INTENSIVE WORK OPPORTUNITIES FOR THE NATIONAL YOUNG ADULT CONSERVATION CORPS ON LANDS OR AT FACILITIES

ADMINISTERED BY THE FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

The following descriptions include only labor-intensive work; they do not include major projects requiring large capital investments. Individual work projects from within these broad categories would be evaluated to determine their suitability for the National Young Adult Conservation Corps.

Forest Management. Conduct various management operations associated with seed orchards and tree nurseries; plant and seed forest trees; prune and thin forest trees and carry out other timber stand improvement practices; dispose of logging slash; remove excess forest growth along roads to improve appearance and reduce fire hazard.

Watershed Management. Construct and/or maintain facilities and carry out management practices to prevent and control sheet erosion and to stabilize stream banks, gullies, lake shores, dunes, borrow pits, and mine dumps; construct sediment basins; clear stream channels.

Wildlife Management. Construct and/or maintain openings and facilities to improve wildlife and fish habitat.

Range Management. Seed grasses and other forage plants; control noxious weeds and rodents; construct and/or maintain fences, cattle guards, watering facilities, and other range improvements.

Recreation Management. Construct and/or maintain recreation facilities, sites, and trails; provide sanitation and other clean-up services; prepare and distribute interpretive and orientation materials for visitors.

Forest Protection. Collect data for forest insect and disease surveys; carry out direct control practices or management practices to control forest insects and diseases; cut and remove insect infested trees to reduce outbreaks and to salvage usable wood; construct and/or maintain fire access roads and trails, firebreaks, water storage facilities, and fire weather stations; serve as fire prevention patrolmen, and on fire suppression crews; refurbish fire lookout towers; prepare fuel type maps, fire hazard maps, and travel route maps.

Forestry Research. Install, maintain, and collect data from research instruments; establish and/or maintain field research pilots; install and/or maintain fences or other boundary markings on field research plots; carry out experimental practices on, collect samples from, and record data about experimental forests and ranges; maintain and operate greenhouses and similar research facilities; provide a variety of laboratory and field technician services.

General Maintenance and Office Work. Carry out painting, roofing and other repair or remodeling tasks at offices, warehouses, garages, and other facilities; construct and/or maintain storage buildings, fire tool caches, and other small service buildings; improve and maintain landscaping; provide clerical, recordkeeping, library technician, and other office services.

Mr. CUTLER. We appreciate this opportunity to present the views of the Department of Agriculture on proposals to establish a National Young Adult Conservation Corps.

As you indicated, Mr. Leon Anderson is with me, from the Forest Service, and he is here to help respond to your questions.

I will highlight my prepared statement.

I am particularly pleased to see Representative Carl Pursell, of Michigan, here, with whom I worked in Michigan on the innovative solid waste management program when he was a State senator.

The Department of Agriculture recommends that H.R. 6138 be promptly enacted in lieu of H.R. 30 and related proposals.

As you know, this bill embodies the administration proposal to add a new title VIII, youth employment and training, to the Comprehensive Employment and Training Act of 1973, CETA. Part A of the new title would establish a National Young Adult Conservation Corps, administered by the Secretaries of Agriculture and the Interior under agreements with the Secretary of Labor.

Up to 12 months of employment could be provided for persons between the ages of 16 and 22 on F[illegible]al and non-Federal public lands and waters. The Secretary of [illegible]or could prescribe regulations under which those between the ages of 14 and 16 and those between the ages of 22 and 24 could also participate.

We are pleased that there appears to be general agreement between the administration and many Members of Congress regarding the major elements of and the need for a special conservation work program for young adults. Although the proposals are quite similar, we believe the administration proposal, embodied in H.R. 6138, contains several features which makes it superior.

First: H.R. 6138 presents a coordinated, comprehensive program that deals with all aspects of youth employment and training within the framework established by the Comprehensive Employment and Training Act of 1973. Although our involvement will be limited to the conservation work portion, namely, the National Young Adult Conservation Corps, we recognize that the total Federal response to youth unemployment should not be approached in a piecemeal fashion.

Referral of Corps members from the public employment service, CETA prime sponsors, the Secretaries of Agriculture and the Interior, and from other agencies and organizations will help insure that the National Young Adult Conservation Corps is recognized and used as an important element of cooperative efforts by Federal, State, and local governments to employ young adults.

Second: the administration proposal is designed to encourage at least a moderate amount of tenure among Corps members which will increase the program's effectiveness while reducing administrative costs. Within the 12-month limit for individual participation, the administration proposal would permit individuals to enroll for up to one 12-month period, two 6-month periods, or three 4-month periods. In contrast, H.R. 30 and some related proposals would permit an unlimited number of enrollments within the 12-month individual limit.

A related feature, unique to H.R. 6138, would permit an individual who attained the maximum enrollment age to complete his 12-month enrollment period if his enrollment is continuous after attaining the maximum age.

Third: H.R. 6138 would not allow Corps enrollments solely for the purposes of membership for the normal period between school terms. This provision is designed to prevent short-term summer enrollments that would reduce the number of positions available to persons who had completed school or left school for another reason.

The National Young Adult Conservation Corps is neither to compete with nor be a substitute for the Youth Conservation Corps which is primarily a summer program for those between the ages of 15 and 19.

Fourth: H.R. 6138 would permit the Secretaries of Agriculture, the Interior, and Labor to coordinate the National Young Adult Conservation Corps with all related programs, including the Youth Conservation Corps and Job Corps.

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We anticipate, however, that there may also be cases where members of the National Young Adult Conservation Corps, the Youth Conservation Corps, and the Job Corps can effectively share work projects, dining facilities, recreational activities, and vehicles. The Secretaries of Agriculture, the Interior, and Labor should have the discretion to coordinate or separate the three Corps programs as local conditions warrant.

The Forest Service and cooperating State forestry agencies have identified a substantial volume of conservation work, much of which might be accomplished by young adults and which meets the criteria in sections 804(a) and 804(b) of the new CETA title proposed by the administration.

A brief description of some of the labor-intensive work opportunities on lands or facilities administered by the Forest Service is this statement. Hiring can begin as early as this summer if the administration's bill and the pending appropriations request are quickly enacted.

We believe H.R. 6138 represents the best approach to the problem of youth unemployment, and we look forward to working with you and the committee to establish a National Young Adult Conservation Corps that will be enthusiastically supported by the majority of the Congress, the administration, and most Americans.

This completes my testimony. Mr. Anderson and I will be pleased to respond to your questions.

Mr. **Hawkins**. Mr. Cutler, would you elaborate on the last paragraph on page 2, in which you speak of the 12-month limit for individual participation. You say: "The Administration proposal would permit individuals to enroll for up to one 12-month period, two 6-month period, or three 4-month period."

How does that break down? Could an individual enroll, then, for two separate times; that is, 6 months in 1 year and 6 months in another year, for example? How does that apply?

Mr. **Anderson**. Mr. Chairman, the total amount of time that a person could participate would be one 12-month period. That 12-month period could be for 6 months, and then he gets out and gets a job. He loses that job, let us say, and he comes in for another 6 months. It could also happen in 4-month intervals. There could be various and sundry reasons as to why a guy or a gal—and I use this generically—could get out of the program. But they do have the capability of being in the program for one 12-month period.

We have not identified specifically if it can be from year to year. But, I would make an assumption that if he is qualified to be in the program for 1 solid year, he could get into it during another year, assuming he had not already used his 12-month limit.

Mr. **Hawkins**. What if an individual were to take 4 months off from school in 1977, and use one 4-month interval during that time. Then, in 1978, between school sessions, go in for another 4 months. Would that be possible?

Mr. **Anderson**. No; that would not be possible. That would not meet the minimum criteria. Being an employment program, we don't want to encourage young people to drop out of school in order to participate.

Mr. **Hawkins**. Let's say, the individual doesn't really drop out of school. Does it allow the individual to enter the service for 4 months during the school semester? I would assume that could be worked out. Would that not be possible?

Mr. **Anderson**. That is right. It would not be possible because it would not meet the minimum requirements as being hardcore unemployed.

Mr. **Hawkins**. There is no requirement that the individual has to be hardcore unemployed in the part A section of the bill. That individual could be from a wealthy family. By design, the proponents of that program are desirous of a mix. That has been the design, so far. They did not really want to confine the program to the economically disadvantaged.

Mr. Anderson. That is exactly right. I didn't state it clearly, I guess. In order for a person to qualify for the program, one of the criteria is that a person be unemployed. It doesn't make any difference if he is from an extremely wealthy family or an extremely poor family. If he is unemployed, he meets the criteria to get into the program. That is the way I interpret the proposed legislation, Mr. Chairman.

Mr. Hawkins. You have no restrictions as to the length of unemployment; is that true? In other words, an individual could be unemployed for 1 week, conceivably, or 2 weeks, and make an application and be accepted?

Mr. Anderson. The interpretation we had—and there have been many, many versions—is there would be an unemployed period of 3 consecutive months. I don't know if that is still——

Mr. Hawkins. That is in anticipation of the guidelines.

Mr. Quie. That is not in the bill.

Mr. Hawkins. It is not authorized in the bill specifically.

In connection with the area of unemployment, when you speak of an area of unemployment are we speaking about geographic areas, a county, a community, a city, or a State? What are we talking about when you say an "area of unemployment?"

Mr. Anderson. We are talking about counties. We have reference to the statement that says 6.5 percent unemployment.

Mr. Hawkins. Let's go to page 4 of the bill which states: (*c*) "Preference for membership in the Corps shall be given to those eligible under this part who reside in areas determined by the Secretary under section 204(c) to have a rate of unemployment equal to or in excess of 6.5 per centum.

You leave it up to the Secretary to determine, apparently, what an area is. What area would you think that would be?

Mr. Anderson. County.

Mr. Hawkins. Rather than a community. So, if you had a low-income area within a county that had more than 6.5 percent, but the county did not have 6.5 percent, then the individual would not, I would assume, be eligible for membership in the Corps.

Mr. Quie. I don't think his answer is correct. If I recall correctly, I believe you were the author of the title II provision defining an area to mean less than a county.

Mr. Hawkins. That was our approach to it.

Mr. Quie. This refers to 204 of the existing CETA law.

Mr. Hawkins. Which goes back to the community.

Mr. Quie. The community rather than the county.

Mr. Hawkins. Our understanding is it is not confined to the county, but a community within a county that has excessive, high unemployment.

Mr. Quie. That would be my understanding.

Mr. Anderson. We have been working with it, but we have not gotten that far. The only one we identified was county—the only other program.

Mr. Hawkins. That is one of the specific questions that we would like to explore with respect to the operation of the program.

I had one other question with reference to the testimony. However I will yield to Mr. Quie at this time.

Mr. Quie. On that last page, Mr. Cutler, you have listed a number of work opportunities that you would be ready to go ahead on. Have you put a number on the job sponsors involved there?

Mr. Cutler. 100,000, man years.

Mr. Quie. What I have a concern about is that the Department of Agriculture presently, in the Forest Service, runs programs for college students, and you have to be over 18. Would you, in any way, reduce that when this new program is operating? Would we be substituting Young Adult Conservation Corps money for the money that you have been spending on summer hiring, and then you go ahead and use that for some other purposes that you have in your budget?

Mr. Cutler. There are probably two basic categories of college students for forest-type people. One is related to the technical type of employment in which we employ young men and women studying forestry, and related subjects, in school, and doing paraprofessional work in the forest relating to their professional preparation. But I agree, doing fire suppression work, brush piling, and that sort of thing, would probably compete with that part of the employment opportunities that have been traditionally available to college students in the summertime.

Mr. Quie. It seems you have a substantial reduction in the number of young people hired in the summer for fire tower work.

Mr. Cutler. I used to man a fire tower. They reduced the number of lookouts.

Mr. Quie. They use airplanes, which cost more.

Mr. Cutler. And you can't go up when it is cloudy.

Mr. Quie. This is what I am concerned about. Just as we have had, Mr. Chairman, maintenance of efforts to require the States not to reduce efforts and substitute Federal Government assistance. I am wondering if we shouldn't put a maintenance of effort requirement in here so you will continue to hire individuals, as you have in the summer. They tend to be people of the locality, I know. They don't work in the wintertime, and they have long periods in the summer. I wouldn't like to see you reduce that effort.

I think what we are talking about here is an appropriation, hiring people over and above what you are presently doing. Otherwise, we have a substitution here, I think.

Mr. Cutler. I think Mr. Anderson had a comment.

Mr. Anderson. Mr. Quie, the intent of this program, and the intent of the Forest Service, is not to reduce the number of people who would normally be working by implementation of the program. We have a backlog of work that would allow us to continue to work with those same people, or groups of people, that we have been hiring during the summer, and also, carry on this program. So, the intent is not to have this program replace people that would normally be hired.

Mr. Quie. We don't want the budget officers to do an end-run on us.

To what extent would the Soil Conservation Service benefit from this type of service?

Mr. Cutler. The Soil Conservation Service could use them, but the problem there is a decision has been made tentatively to implement this program on public lands, and the Soil Conservation Service provides technical assistance, primarily, for privately owned land. It is much easier for the Forest Service to proceed with the conservation practices in national forests, where it is responsible for the planning and management of those lands, than it is to develop similar programs on private land.

However, there is certainly a lot of work that needs to be done on private farm and rangeland. We would be enthusiastic about moving in this direction if that were funded, and authorized.

Mr. Quie. I don't mean by that that there would be an economic benefit to private landholders over and above what they presently receive from the Soil Conservation Service when they are providing technical assistance on private land.

Mr. Cutler. The opportunity exists to substitute labor for dollars in terms of assistance to private areas, and a cost-share program where the landowner would contract with someone to put in, let's say, trees or grass, waterways, or wildlife habitat, planting, or something of that sort. The young people employed in this program could do that work.

Mr. Quie. If they were just running a survey, they could learn a lot from it.

Mr. Cutler. There are supervision problems.

Mr. Quie. Mr. Chairman, one of the things I wish we could do is ask the Department of Labor to send us the kinds of regulations they envision in section 803(b)(1), which is the special provision for 14- and 15-year-olds, and 23- and 24-year olds.

Mr. Hawkins. 803(b)(1), lines 14 through 18, on page 3. Without objection, that inquiry will be made of the Secretary of Labor.

[The information is included in the response of the Secretary of Labor at the conclusion of the Department's testimony.]

Mr. Quie. Thank you, Mr. Chairman.

Mr. Hawkins. Mr. Weiss?

Mr. Weiss. Thank you, Mr. Chairman.

Mr. Cutler, is the Department of Agriculture currently involved in the Youth Conservation Corps program?

Mr. Cutler. Yes, it is, very definitely.

Mr. Weiss. To what extent, what percentage, of the program do you operate compared to what the Department of Interior does, or it is all a totally joint operation?

Mr. Cutler. I will have to ask Mr. Anderson.

Mr. Anderson. It is a totally joint operation. We have 35 percent of the funds from YCC going to the Interior Department; 35 percent going to the Agriculture Department and 30 percent of those dollars going to States for grants. Agriculture and Interior jointly administer the grant program with the 50 States and territories.

Mr. Weiss. In the statement you made, Mr. Cutler, on page 3, you talk about a shared program and facilities approach. Is that done currently? Are there any programs now in existence that have that kind of shared use of programs?

Mr. Cutler. There are occasions where there are some Job Corps enrollees working on a site that is in close proximity to where a YCC group is working, and they could come on to the camp for lunch.

Mr. **Weiss**. That is in existence now?

Mr. **Cutler**. Yes. I am trying to explain it only by way if they are coming on for lunch. Sometimes they may share some recreational activity, but not real work projects with the Job Corps and YCC, because they are totally different kinds of work.

Mr. **Weiss**. The impression I draw from Mr. Cutler's statement on page 3 is that it would be a very common kind of an occurrence in the proposed program.

Mr. **Cutler**. We would like to have the discretion to take advantage of that.

Mr. **Quie**. Would the gentleman yield?

Mr. **Weiss**. I yield to Mr. Quie.

Mr. **Quie**. This new program would be more compatible because of the age. The YCC is limited to a younger group. So, I would expect that you would have more of a coordinated effort.

Mr. **Weiss**. Do you expect them to be located, for example, at the same site, or is that just in the event that—in a particular circumstance, it would seem to be appropriate to do it. But you would not be planning to do it in the general course of conduct?

Mr. **Anderson**. In the event it should happen, we would not be planning it as a general course of conduct of business or conduct of business or conduct of work program. But there will be instances where, for example, a Job Corps center could be working on an administrative site and the people from the YCC or this program, could be doing some soil erosion work around that building, where the Job Corps is constructing a facility. What we wanted to do is to allow that kind of work to go on jointly in a situation like that.

Mr. **Weiss**. I have one final question, and Mr. Quie had asked this earlier of the Department of Labor, and now I will ask you, and that is, the provisions in the legislation, requires that enrollees in the program would have to be recommended by the Secretary of Labor. Does that present a program for you, or is that something of which you approve?

Mr. **Cutler**. It doesn't present a problem. We can proceed either way. We can select our own. We have done it in other programs in the past. We have developed this program in coordination with Labor, and we can live with that delegation very well.

Mr. **Weiss**. Thank you very much, gentlemen. Thank you, Mr. Chairman.

Mr. **Hawkins**. Mr. Sarasin?

Mr. **Sarasin**. Do you anticipate obtaining the names of enrollees from the prime sponsors or directly from a list supplied by the Department of Labor?

Mr. **Anderson**. We have been working on this for a while. As far as referrals, recruitment or enrollees of this program are concerned, there are a number of ways we have determined we could go about doing it effectively. One would be through the Employment Service. Also, another way would be through the CETA prime sponsors, because some of the CETA prime sponsors are reaching farther back in the rural areas than the Employment Service is reaching, and they will refer back to the Employment Service. We would hope for that kind of a joint venture. Also, there are times when people just walk into a Forest Service office. There has to be some certification, and we would refer them to the Employment Service Office for employment certification.

Mr. **Sarasin**. Have you had to place your emphasis on just the rural areas?

Mr. **Anderson**. No, we don't. We anticipate having a residential and nonresidential program. We have some national forests that are in close proximity to major populated areas. The Allegheny, for example, is not very far from Philadelphia. You could take a bus ride and a kid could be in the Allegheny National Forest in a residential-type center—or from New York City.

So, we do plan to have residential and nonresidential programs, and a combination of these. The residential programs will primarily pick up a lot of people from our cities. The bulk of the unemployed population is in this particular age group.

Mr. **Sarasin**. As I understand, Mr. Cutler, you don't have the problem of overview in relationships between your own agency and Labor?

Mr. **Cutler**. No.

Mr. **Sarasin**. Would it make any sense to just take this out of the overview of Labor and leave it only with your agency?

Mr. **Cutler**. As I say, we can handle it either way.

Mr. **Quie**. That is a good answer. Leave it alone.

Mr. **Sarasin**. You mean quit while you are ahead.

Mr. **Quie**. Would the gentleman yield?

Mr. **Sarasin**. I yield to my colleague.

Mr. **Quie**. What if a young person in Newark, N.J., qualified in every way but didn't want to go to Appalachia. He wanted to go out to the Rocky Mountain area. How would that person go about it? I imagine, under your requirements, you would want them to go as close as possible to hold down the transportation costs. So, what if they said, "We will pay the extra transportation cost"?

Mr. **Anderson**. If they would pay the extra transportation cost, I would see no problem in their going to the Rocky Mountain residential area.

Mr. **Sarasin**. Who would they apply to?

Mr. **Anderson**. To the Employment Service or the CETA prime sponsor. If they want to go to one of our camps as a referral to us, they could specify that they are willing to take on the personal expenses for travel. We don't plan to transport people from across the United States, like we did at the very beginning of the Job Corps.

Mr. **Sarasin**. We are glad you aren't.

Mr. **Anderson**. That is just too prohibitive. You can't do it.

Mr. **Sarasin**. In this example, the young person in Newark could apply to the local prime sponsor or directly to you. The camp is out there. Then, they would have to be certified by an employment service——

Mr. **Anderson**. That is right.

Mr. **Sarasin** [continuing]. In that case, would that employment service be in Newark or the employment service in Colorado?

Mr. **Anderson**. The employment service in Newark. One thing that is good about this program is that the work doesn't have to be done in areas of 6.5 percent of unemployment. We have a lot of localities in several States where the unemployment is low, but where there is some very much needed work to be done. That is another one of the good things about this piece of legislation.

Mr. **Sarasin**. Mr. Cutler, what will you be paying these young people?

Mr. **Cutler**. The minimum wage.

Mr. **Sarasin**. In the residential setting, as well?

Mr. **Cutler**. Yes.

Mr. **Sarasin**. Is there a deduction for room and board?

Mr. **Anderson**. No; we don't anticipate making a reduction for room and board. We went through this last year when we first talked about this YACC. In running up some figures, I think the Congress found that if we charged for room and board, we would probably not get very many people, because unemployment insurance, or some other kinds of unemployment benefits, would be more than the kids would be taking home.

If you consider $2.30 an hour for 40 hours a week, after taxes, and if you take out for meals and room and board, then they aren't taking home very many dollars.

Mr. **Sarasin**. Do you subtract the room and board in the YCC program?

Mr. **Anderson**. There is some adjustment.

Mr. **Sarasin**. So, it is not the flat-out minimum wage that is being paid, but you are making some adjustment.

Mr. **Anderson**. It is very slight.

Mr. **Sarasin**. You don't feel that concept should be continued?

Mr. **Anderson**. I see the YCC program as being totally different as far as an objective is concerned, with different kinds of people with different kinds of needs. This is why, in this program, I see us not being able to do that.

Mr. **Cutler**. Most of the YCC people come from the middle class, and they don't consider the money as much as the education.

Mr. **Sarasin**. Isn't that the same goal? We don't want the YACC program restricted to the economically disadvantaged because you have a dual purpose, first, the improvement that you are getting; and second, the provision of employment. It is not simply an unemployment problem.

Mr. Cutler. There is a thrust that is toward education, and the YACC is geared toward employment. Each contain the elements of both.

Mr. **Quie**. Would the gentleman yield?

Mr. **Sarasin**. Surely.

Mr. **Quie**. In your summer hiring program, a person lives at the Forest Service camp, and they at least have to pay for their own board. If they are out on the trail with a crew, then they don't have to because the food is brought in to them there. Whatever you do, it seems to me, you have to make certain that those they are working alongside of do not feel this group is getting an advantage.

Mr. **Cutler**. I think your point is well taken, Mr. Ouie.

Mr. **Weiss**. Would the gentleman yield?

Mr. **Quie**. Yes, I will.

Mr. **Weiss**. Isn't it a fact that Job Corps enrollees get, $30 a month?

Mr. **Anderson**. That is correct.

Mr. WEISS. Is that on a basis of a flat grant or on the basis of a deduction, or on an allowance for room and board? How does that work? Is there an intention to raise that to a minimum wage level, as well?

Mr. ANDERSON. I don't know of any intention to raise it to a minimum wage level. Again, the long-term benefits of the Job Corps, as you gentlemen are well aware, are quite different than any of the other programs we have been talking about here.

The Job Corps enrollee receives $14.25 every 2 weeks. He hasn't received a raise since 1965. That is what we started off paying Job Corps kids. They get their room and board and they get a clothing allowance. They also get a trip home once a year, health care, dental care, and these kinds of things, at Government expense. So, they have a lot of different kinds of benefits, plus their $50 going in to a re-adjustment allowance.

We contract with five labor unions to provide vocational training for these young people. When they complete a training program, about 90 or 92 percent of those who graduate come out with a high school equivalency diploma and a union card to go into an apprentice program.

Let's take the operating engineers, for example. The kids come in and stay a year, and then go out with an operating engineer. He goes out at $6.25 a hour or $5.25 an hour. A painter goes out at $3-plus an hour.

The Jobs Corps is aimed at the disadvantaged, the high school dropout, the ones who have not had serious brushes with the law and have no marketable skills, a strictly unemployable kind of kid.

Mr. WEISS. I may be confused. I thought, to a great extent, that was what we were trying to deal with in A, B, and C of this program.

Mr. ANDERSON. I don't think in C——

Mr. WEISS. Those kids should not be paid $14.25.

Mr. CUTLER. They are getting better trained and they do work. They are learning to use equipment. A guy graduates from the Job Corps. He comes in with nothing. If he walks out as a carpenter, a heavy equipment operator, a cement mason, or goes on to college—a significant number of these kids go on to college or they go into the military—he has gotten some very, very long-term benefits that he can sell. If he comes out as a carpenter or heavy equipment operator, he can walk up to the labor market and say, "I can do this. What are you willing to pay me for it?" Before he came in, he had nothing he could sell.

Mr. SARASIN. Would the gentleman yield?

Mr. WEISS. I yield to Mr. Sarasin.

Mr. SARASIN. The Job Corps concept is like vocational education with a stipend. I don't find any real problem with that $14.25. That is a short time. Didn't it go up to $50 at some point?

Mr. ANDERSON. They can advance. A number of these kids can advance to leadership positions. The same I think will eventually happen under the YACC program— sort of like straw bosses. They get a little increase, but it is not that much. The guy can earn as much as $50 a month through leadership increments, but only a small number, like 10 percent, of those kids do advance to that level.

Mr. **Sarasin.** In the YACC program, you are saying you are going to provide opportunities for a very select group of people which will be a great deal more rewarding than any other occupation that that person might get.

Mr. **Cutler.** But it is not a vocational education experience in a sense. They are learning that technical trade and it gives them that union card. It is probably the kind of work they can do with the minimum of training. It gives them some income and it gives them some work experience.

I assume that the objective is to enable them to make it through a period of tough financial conditions.

Mr. **Sarasin.** What I am saying is that you are making a Government job—when you consider the room, plus the board, plus all the other goodies that you will be providing for them.

Mr. **Cutler.** Apparently, they can't find any jobs.

Mr. **Sarasin.** And the Government is competing with more dollars than the private sector can offer to that same unemployed youngster.

Mr. **Cutler.** We will get the work done relatively inexpensively in terms of what it might cost to contract that work out otherwise. For example, we had a $32 million YCC program last summer. The work accomplished by the YCC was $28 million. The Job Corps was a little less because that is a different kind of a program. But we had $28 million in the Job Corps and the work accomplished was about $10 million.

So, these are extra benefits that the Federal Government is receiving, and the public is receiving, from the work that is being done. The same kind of projects are proposed and are already on the shelf to put these YACC people to work. So, this work accomplishment is what we have to consider. It is not make-work, not raking leaves, but 100 percent improvements.

Mr. **Sarasin.** Why target it at all? Why not make the kinds of programs you administer now available for some young people in the summer programs, and other programs? Why target it at all?

Mr. **Cutler.** It is difficult with the Forest Service appropriations with this kind of work. We are not getting the kind of money through our regular channels and haven't for a few——

Mr. **Quie.** Would the gentleman yield?

Mr. **Sarasin.** I yield.

Mr. **Quie.** We are matching up two national needs. One is work you need done. The second is to hire people who have the most difficult time in getting jobs. I think Mr. Sarasin has made a good point, because if you add very much above the minimum wage, you are permitting the Forest Service to compete against private industry, and they pay the minimum wage under the law. But they don't pay any board and room or any recreational costs.

For instance, if a person gets a summer job in a restaurant and he is not tipped employee, they have to pay him the minimum wage. To what extent is the private owner permitted to deduct the cost of hamburgers that the person eats? We had the minimum wage people before this committee and I don't think they fully reflected on that. I think you have to compare it with the private employment so you don't pull into this program Members of Congress—many of us would pay to get one's son or daughter working in the mountains. I would pay to go to do that myself in the summertime. But there are many others who can't get a job and would like to have this job opportunity. It has to be a fair and equitable relationship.

Mr. CUTLER. Your point is well taken. We should look again at the question of whether or not the residential employees should pay for some of the benefits they are receiving. But I think it will reinforce the two points that were made with respect to the results of a benefit-cost analysis of this program. We can show a very attractive cost analysis of these kinds of program.

Mr. QUIE. You sure can.

Mr. WEISS [presiding]. Would you think it might make sense if it is not targeted on the basis of levels of income, that you did it on the basis of the period of time unemployed? You would have some substance, in the first instance, of the proviso of whom you are aiming at, and a much clearer guideline.

Mr. CUTLER. That was discussed with the chairman earlier. We are under the impression the guidelines we are operating under are that no one can enter the program if they are employed.

Mr. WEISS. Is there any objection to having that incorporated into the legislation if this committee decided to do that?

Mr. QUIE. There is one thing I have some reservation about. Let's suppose a person has been unemployed for 3 months and starts on that. He would like to work 6 months and then take two quarters at a university and then come back for the other 6 months. I don't see why there should be any objection to that at all. It would be toward the end we are trying to achieve, which is encouraging them to go to college.

Mr. WEISS. Wouldn't that, in fact, leave it wide open to be a summertime employment situation? Schools now close in May and they don't start back until October. They are out 4 months, then they go back to college.

Mr. QUIE. You can do that.

Mr. CUTLER. I guess it depends on the objectives you gentlemen write into law.

Mr. SARASIN. The minimum wage thing bothers me. You anticipate having residential and nonresidential situations. I would assume the work would be identical in each of them. What you are saying is the person who goes into the residential situation is actually reached as rapidly as the one who stays at home and commutes to the job, or anyone else in the work force in this area.

Mr. CUTLER. It may be back-to-the-drawing-board time on that.

Mr. WEISS. If there are no further questions, we thank you, Mr. Cutler and Mr. Anderson, for being here today. If you have some further points, send them on to us in writing.

Mr. CUTLER. Thank you, we will.

Mr. ANDERSON. Thank you.

Mr. WEISS. We are delighted to have as our next witness, and as Chairman Hawkins indicated, the very distinguished former Secretary of Labor, Mr. Willard Wirtz. Mr. Wirtz is now director of the National Manpower Institute, in Washington, D.C.

Your full statement will be entered in the record, of course.

STATEMENT OF WILLARD WIRTZ, DIRECTOR, NATIONAL MANPOWER INSTITUTE, WASHINGTON, D.C.

Mr. WIRTZ. I will be glad, Mr. Chairman, under those circumstances, not to repeat it. I will summarize it very quickly and then take whatever questions you have. I believe one Secretary of Labor at a time is enough. I haven't proposed here to go into those matters which Mr. Marshall has covered so well.

[The statement of Willard Wirtz follows:]

Testimony by Willard Wirtz
before the
House Committee on Education and Labor,
Subcommittee on Employment Opportunities
on the Youth Employment and Training Act of 1977

April 19, 1977

Mr. Chairman, and Members of the Subcommittee:

This testimony will be brief, partly because there has been little time to prepare it, but even more because the case for a Youth Employment Act has already been made and accepted. H.R. 6138 and S. 1242 reflect an extraordinary combining of Administration and bi-partisan Congressional initiatives, leaving it only to try to perfect the implementation of clearly established common purpose.

The pattern of this implementation is recognized as including two elements: doing as much as can responsibly be done quickly about an imminently critical situation; and doing this in a way which will provide maximum experience for determining what more to do in the future. Because part of the strength of this Bill is that it draws on a variety of proposals, it has seemed to me possibly helpful to put this testimony in the form of a partial checklist of the important balancings in H.R. 6138 of complementary, in some respects inevitably competing, program emphases and administrative approaches.

In what are now fifteen years of attempt to develop a federal manpower policy, no problem has been more difficult than finding a right balance between (i) "targeting" employment and training programs on particular areas and groups facing especially acute unemployment problems, and (ii) making the benefits of these programs more generally available. Taken together, Parts A, B, and C of H.R. 6138 seem to me to reflect a sensitive and sound accommodation of these two sets of interests. My only suggestion here would be that the "targeting" provisions in Part C seem to me to go beyond what the interests covered by that particular Part appear to warrant.

A second continuing problem has involved the balance between emphasizing jobs on the one hand and training on the other; and this becomes particularly important with respect to a youth program. In fact it is even more complex here because there is also the recognized desirability of trying to encourage young people's continuing or returning to their formal education in those situations in which this makes sense.

Here again, H.R. 6138 has obviously been drafted with this set of considerations clearly in mind. Parts A and B are strongly employment oriented, with Part C including more emphasis on training. But the projects identified in Part A are of the kind that have substantial employment training value, and Part B includes specific references (Sections 815(b)(2) and 817(b)(2)) to the relationship between the community improvement projects contemplated there and both training and continued education. I do wonder whether there should be a more specific reference in Part B -- paralleling the provision in Part A, Section 803(b)(1)(A) -- to make it affirmatively clear that the Community Conservation and Improvement projects are not to encourage school leaving; one of their largest benefits may be in permitting students to stay in school (where this makes sense) when they might otherwise have been forced to drop out. In fact it seems to me that Parts B and C could be strengthened by giving more direct account at various points to the unemployment problems faced by in-school youth.

Although it goes to a somewhat different matter, I guess I would also include in Parts B and C a specific prohibition against any "make-work" projects. This is obviously implied, and spelling it out is difficult; it has to be a cardinal principle, especially in a youth employment act that boondoggling — the worst kind of training -- is out.

Rather than trying to be more specific about inter-relating the work and training elements in Part A and Part B projects, I would consider whether the Act would be strengthened by including specific and perhaps fairly substantial provision for linking experience in the Young Adult Conservation Corps (Part A) and on Community Conservation and Improvement projects to what it is hoped will follow that experience (other work or possibly a return to school) through a specially provided counseling and guidance or even attempted placement program. The only reference I can find to counseling and guidance in the present Bill is in Section 838(a) — in Part C — and is fairly limited. I would hope that these provisions could be significantly expanded.

A third point involves the important broadening out in H.R. 6138 of what have been traditionally conceived of as "work" programs to include "service" opportunities as well -- for this is the direction in which it seems to me the transitional activities of youth in this 16-to-22 age bracket are clearly moving. Part A is properly confined to "work" programs. But

Part B includes a reference in the Statement of Purpose section (§ 811) to "opportunities for community service" as well as to "program(s) of community conservation and improvement projects;" and similarly of the comparable section (§ 831) in Part C. The specific provisions in both Parts, however, including the listings of illustrative projects, include no significant reference to "service" opportunities. I suggest the desirability of spelling out a little more fully in the operative sections of Parts B and C what is explicitly contemplated in the Statement of Purpose sections.

I simply note in passing one possible particular reason for emphasizing the "service" elements in this Bill. There is every reason for anticipating increasing question about the long range effectiveness of the present military service program. One possible alternative to it is a more general youth service program, of which military service would be one part. We ought to learn as much as we can about the possibilities in this area.

If there is a single point I would emphasize particularly it is the recognition in H.R. 6138 of the desirability of encouraging the development of new forms of assumption and exercise of responsibility at the local community level for the transition from youth to adulthood. As an amendment to the Comprehensive Employment and Training Act of 1973, H.R. 6138 depends primarily, in Parts B and C, on the CETA administrative and organizational pattern. It also anticipates, especially in Part C, the working out within that pattern of new application of the CETA principles and procedures to the youth employment and training problems, including specific reference in Section 836(2) to "coordination" with various types of public and private agencies and organizations. Finally, in Section 838(c), the Bill provides for the carrying out at the direction of the Secretary of Labor of broadly "innovative and experimental programs."

I respectfully suggest the broadening out of the statutory base for developing new local community initiatives in this area. Part C appears, if I follow these provisions correctly, to be limited to a much narrower group of "eligible participants" than are Parts A and B; and it seems to me questionable whether it provides the flexibility which is in general advisable with respect to a "Comprehensive Youth Employment and Training" program. I would also be concerned, on the basis of experience, about the fairly lonely provision for the exercise of the Secretary's discretion (as the Bill is presently drafted) withstanding the trials of legislative process unless some further attention is paid to it.

There is an extraordinary amount of encouragingly constructive local community initiative being exercised in this country today with respect to this education-to-work matter. A good deal of it is based on the development of new collaborative processes involving combinations of local agencies and organizations: public and private, bringing together representatives of the schools, the employers, the labor unions, public service organizations, the community at large, young people themselves. The Subcommittee may well be interested in the recent establishment, with the support of the Department of Labor (and with representatives of H.E.W. and Commerce on the Steering Committee), of three nation-wide consortiums of Community Work/Education Councils.

There is a real "yeasting of community" going on in America today, and it has a particular effectiveness when it comes to this matter of eliminating the gap which has developed between school and jobs, between youth and maturity. It seems to me to promise greatly improved effectiveness in mobilizing the local community forces which are in the end going to have to be relied on to meet the youth unemployment problem. I would respectfully urge that the provisions of Parts B and C of H.R. 6138 be reviewed to determine whether larger advantage can be taken of these prospects -- with particular emphasis being placed on firming up the basis for the establishment of discretionary authority in the office of the Secretary of Labor.

* * *

I am afraid my statement has been not only too brief but perhaps too bland. Perhaps this reflects a little the feeling that one Secretary of Labor at a time is enough, and the very genuine feeling that Secretary Marshall has expressed fully and well the views which come from identification with that position.

I add only a brief personal postscript. This matter of youth unemployment has seemed to me so important and serious that a good deal of my time for the last eight years has seemed best invested in it. It goes beyond being just an unemployment problem -- to involve the basic elements in our compact with our younger members. We haven't been leveling with them about the impact of an over-all unemployment problem which is going to continue and which is going to hit them hardest of all.

I expect we all think there are improvements that can be made in H.R. 6138. I support it, nevertheless, fully and unqualifiedly — both for what it will accomplish in itself and particularly for the fuller insights which it will provide about what more will need to be done. I hope we will make it plain, though, that this is only a start toward meeting this problem.

Thank you.

Mr. Wirtz. This testimony recognizes that the case for our Youth Employment Act has been made. What we face now is the question of how best to implement it. The testimony is then based around five questions, three of which have come up here already.

On the first one, the question of whether there is need for new legislation given the present statutory basis, I can only say that it seems to me terribly important that there be new legislation, if only for the purpose of briging into the program the various suggestions that are included in one or another of these some 20 bills now that are before the Congress.

There is obviously great value in some of these, and I am sure they would strengthen the present program.

Second: On the point of targeting against a more general provision, that has been thoroughly considered here this morning. There has obviously been very strong consideration given it in the drafting of 6138.

I have only the briefest reaction to it and that is that I am concerned about the fact that part C is so strictly targeted. If I follow it correctly, it would be limited to the out-of-school and out-of-work situations. I doubt that was the intention. I hope I am wrong on that. But if that were right, that would to me, be a mistake.

Obviously, here is a balancing to be done between parts A, B and C on the targeting. Just generally, as far as part A is concerned, the very important purpose of that legislation, which is reflected in the avoidance of targeting, would be preserved, but still with some indication of the desirability of making that program help meet the general unemployment programs.

So, just in general, on the targeting points, my principal concern is whether this restriction in part C goes too far.

As for the balance between jobs and training, there has been some reference here to that this morning. It seems to me that balance is quite well established. I have only four very brief points to make with respect to that.

I am a little concerned whether there is enough recognition in the present form of 6138 of the desirability of the in-school programs and the type of these programs, with the education programs. I am impressed that both of the bills referenced this morning do place a much stronger emphasis on this program, to the education program, and that seems to be important and right.

Further, in relationship with jobs and training, I guess I would go out of my way to put some provision in this bill that says there would be no make-work of any kind. That should be implicit in the whole theme. I think it is important and it would benefit from the emphasis on that. The worst kind of training is a make-work training situation of some sort. I would think it would be improved by that.

Another part I am concerned about is the fact there is not more emphasis than there is on the counseling and the guidance provisions. There is only one reference that I can find, in one provision in part C, about that. It seems to me too little.

Part A says that young people could have an extremely profitable experience away from home. At the end of that experience, it just drops off. There ought to be some kind of transitional provision added there. I would hope there would be a broader intention in the final form of the bill than there is in the present form. It is terrible important.

Then, finally, on this point of jobs and training, I believe that 6138 anticipate more reliance on the private sector for jobs than is reflected in the present form of the legislation. It comes in only inferentially in several places. There, again, I believe—perhaps I am wrong—I am not quite clear. Part B contemplates private sector employment and part C does, to some extent. Again, if it should be limited to out-of-school, out-of-work participants, by virtue of the definition of "eligible participants" in part C, this would be unfortunate.

The fourth balance is—which has not been referred to this morning—is the retraining and work on the one hand, and service on the other. I realize that is not a clear-cut trend in youth employment activities today very strongly towards service functions of one sort of another, which go beyond the production, the physical jobs, of one kind or another. I am impressed with the fact that the introductory part of B and C do refer to service as well as to work, but in the operative sections, there is no similar emphasis of service. I think it is important we find out as much as we can about service opportunities for youth that are broadly conceived, because, among other things—I don't know—it does seem to me we are moving towards an increased questioning of our military service program, and what effect legislation of this kind would be on that.

Possibly the next stage of the development of the military service in this country would be a general service program of which the military service would be one part and that would seem to be something like the Youth Employment Act of 1977.

There should be the fullest possible emphasis placed on service activities of one kind or another, so we will find out as much as we can against the possibility that there may have to be some new form of military service program.

Finally, and the one point I should like to emphasize, particularly, that there is a balance between the administration of these programs through the established CETA channels and through, on the other hand, such new and innovative procedures as particular local communities may devise.

I would hope very much that part C, and to a certain extent part B, might be clarified to make absolutely plain what I am sure is anticipated in the legislation, namely, these programs would be worked out through a new form of procedure which particular local communities will develop.

Again, I point to the fact that the only broad language with respect to that is in that Section 838(c), which gives the Secretary of Labor complete discretionary authority. That means, I guess, it is limited to the out-of-school, out-of-work. That is a pretty lonely provision, as it stands at this stage. A little experience would suggest, unless it gets firmed up, it is likely to get lost. Therefore, I would urge particular attention to 838(c).

The possibility of including some guidelines and various provisions of part B and part C should be clarified to make it clear that new forms of community work, education councils, and that kind of thing, would be given their place and their opportunity under this legislation.

These are all details, Mr. Chairman and members of the committee. I support H.R. 6138 unqualifiedly and enthusiastically. I think it is important to have the best elements of the compact between the older and the younger members of this society. The older members haven't done very well on that end of the compact recently.

Mr. Weiss. We appreciate your giving us the benefit of your learning and wisdom. Thank you.

Mr. Sarasin?

Mr. Sarasin. I, too, join in that. It is a pleasure to have the former Secretary of Labor before us.

One of the comments you had here was to make sure we don't engage in make-work programs. I wonder how we can say it. How do we define it?

Mr. Wirtz. It is hard to say. There is a general reference in here which bears on it. I believe people understand about that and perhaps there is simply a virtue, seeing nothing in any place, if this action is to be a basis to putting any young person into a job that doesn't make sense to him and to somebody else.

I don't know, it adds a lot. But I guess we can't say, "no boondoggling." I think we can say no make-work programs. It would help some. It is not an idle comment. We all know there has been too much of that in the past. We should blow the whistle on that.

Mr. Sarasin. It is like pornography. Justice Douglas' definition of pornography was he couldn't define it, but he knew what it was when he saw it.

The private sector relationship in the bill you discuss, and the shortcomings in the language would not involve that. That is something we can work out, and you have touched on it very, very carefully.

I would hope we can take the benefit of your wisdom and the comments that were made earlier, and perhaps try and work out a youth program, using the best of all the pieces of legislation we have before us, that would truly be comprehensive and that deal with the in-school person as well as the out-of-school person and provide the incentive to keep that one in school in the educational experience.

Mr. Wirtz. If you take all the bills and put them together, I agree—I guess I agree with Mr. Quie and Chairman Hawkins, there is nothing irreconcilable. On the contrary, there is a great richness of suggestion here.

Mr. Weiss. Mr. Secretary, the staff director, Miss Grayson, refers me to your book, "The Boundless Resource," and a paragraph in which you talk about the necessity to identify a program requirement for future manpower needs.

The question that occurs is, do you think that the creation of this kind of youth employment training program would help to guide us in the direction more clearly, identifying what our manpower would be?

Mr. Wirtz. Yes, I do, Mr. Weiss. I would point particularly to two elements, just illustratively, to answer your question. I refer to that need for further counseling and guidance, and the developing of occupational information of one kind or another.

We are in the first grade as far as identifying real occupational opportunities and training opportunities at the local level. We have all these figures on the national basis, but we don't know what the situation is in a particular area. If you put local labor, management, communities and you use local representatives to identify and inventory the opportunities for young people, they can find out what we are never going to be able to find out out of national surveys of one kind and another. That comes again to the point I was making of having an arrangement or a new kind of organization that can do that kind of thing.

I guess I think the youth employment, training and educational programs are where we are going to find the right answers, and at the local levels. It does seem to me to find out more about it. We have to give them new headway.

The one manpower program that I remember—it was over 8 years ago—the one I remember first is the one here in the District of Columbia, CRI. It is still operating, and which, in 1967, was probably an unconscionable gamble. We were pretty concerned about what things were going to happen.

We said to them, in effect, do it your way, and we took a chance on it. I think there has got to be more—if we are going to find out what the problems are and what the approaches are, we are going to have to take more chances, saying to these local communities, do it your way.

Mr. WEISS. Thank you, sir. We appreciate your coming today.

The committee stands adjourned, subject to the call of the Chair.

[Whereupon, at 11:56 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 AND RELATED LEGISLATION

THURSDAY, APRIL 21, 1977

House of Representatives,
Subcommittee on Employment Opportunities
of the Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m., in room 2261, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman) presiding.

Members present: Representatives Hawkins, Beard, Le Fante, Weiss, and Sarasin.

Staff present: Susan Grayson, staff director; Steve Juntila, legislative assistant; Carole Schanzer, clerk and administrative assistant; and Nat Semple, minority legislative associate.

Mr. **Hawkins**. The Subcommittee on Employment Opportunities is called to order.

This is a continuation of hearing on H.R. 6138, the Youth Employment and Training Act of 1977 and related legislation.

Our first witness this morning is Mr. Jon Weintraub, legislative representative of the National Association of Counties, Washington, D.C. He is accompanied by Mr. John Klein, county executive, Suffolk County, N.Y.

I understand Mr. Weintraub is due on the Senate side later this morning. We will try to accommodate you timewise. What is your schedule?

Mr. **Weintraub**. We have about 2½ hours.

Mr. **Hawkins**. We can examine you thoroughly then.

Mr. Klein, we are very pleased to welcome you to the committee and we look forward to your testimony.

STATEMENT OF JOHN V. N. KLEIN, COUNTY EXECUTIVE, SUFFOLK COUNTY, N.Y., ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES, ACCOMPANIED BY JON WEINTRAUB, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF COUNTIES, WASHINGTON, D.C.

Mr. **Klein**. Thank you, Congressman, for the privilege of being able to address the subcommittee.

Mr. Chairman, I am the county executive of Suffolk County, N.Y.

I have chaired the Employment Policy Steering Committee of the National Association of Counties for 4 years and have served as a member of the CETA title V, National Commission for Manpower

Policy since its inception. I am also an active member of the council for Northeast Economic Action. I am accompanied today by Jon Weintraub, a legislative representative with the National Association of Counties, the only national organization representing county government in the United States.

We are here today to offer our support for a new youth title within CETA. The NACO staff has commented on two earlier drafts of H.R. 6138 and has been an active participant in the review process. We strongly support the openness of the administration in seeking comments on the bill from county officials, mayors, and Governors prior to submitting it to Congress. We urge the administration to continue this process when redrafting CETA and congratulate the administration for initiating this effort.

We further applaud the administration for developing a new title of CETA targeted to youth instead of trying to develop programs under title III. However, NACO feels that this bill can be improved further. NACO's position on youth programs is stated in section 5.7 of the American county platform:

> Special funds for jobs programs for young people should be provided annually under CETA.
>
> Prime sponsors should be allowed flexibility in providing programs for other needy youth in addition to economically disadvantaged youth.

While supportive of the general concepts in this bill we would like to offer the following suggestions:

One: We would like to simplify client eligibility by limiting eligibility for all three parts to unemployed youth whose gross family income is below the BLS lower living standard budget. We feel this would also allow prime sponsors to refer eligible youth to the program best designed to meet their needs.

This would achieve some targeting for parts A and B while simplifying the language in section 835(a)(2) in part C. We believe that the BLS lower living standard budget is a realistic income criterion for youth in urban city and county areas. CETA prime sponsors could further constrain eligibility through their normal planning council process, as many prime sponsors have done under titles I and II.

Two: We recommend that this subcommittee review the following general comments on parts A, B, and C:

Part A: We would like to explore some way of achieving equity in the expenditure of funds by State for this part given the varying distribution of acreage and differing conservation needs in Federal, State, county and city park lands across the United States.

Legislative intent needs to be clarified as to the proportion of funds in part A to be devoted to residential versus nonresidential programs. Clear legislative intent must also be provided so that Federal, State, and local conservation needs are reviewed equitably by the Departments of Interior and Agriculture.

With respect to part B: We only need to recall the problems with recent public works funds to reject the grant application process currently envisioned in part B. We do not need to make part B a "full employment act" for consultants. We would prefer a direct allocation formula based on need to all price sponsors who would then review project applications through the advisory council process.

This bill enfranchises a new local official, the Secretary of Labor, who decides what projects should be funded in my county. With all due respect I would suggest that the citizens of Suffolk County did not elect Ray Marshall as their county executive. I think that I have a better finger on the pulse of Suffolk County than the Secretary of Labor or his representative sitting in the regional office in New York.

Part C: We favor an allocation methodology which distributes 80 percent of the funds by formula with 20 percent remaining for the Secretary's discretion.

Three: The existing administrative definition of unemployed tends to exclude most students and juvenile offenders. We would like to see eligibility expanded to allow for participation of in-school youth and youth attached to the criminal justice system.

Four: We object to the inclusion of Davis-Bacon and prevailing wage language for youth in section 851(j)(3) of part D. We suggest that the model established in categorical youth programs of "Federal, State or local minimum wage, whichever is the highest" be applied to all parts of this title. We find it absurd to do otherwise, especially with the projected increase in the minimum wage. We want to maximize the number of youth being served.

Five: We are puzzled by the maintenance of effort language in parts B and C as applied to title I. Enrollment figures for title I of CETA make it clear that prime sponsors place a very high priority on serving youth. During the period from July 1, 1975, to September 30, 1976, 57 percent of the more than 2 million individuals who received title I training services were under 22 years old.

The median age for all title I enrollees during that time was 21. Given this record, it is safe to assume that prime sponsors will continue to emphasize services to young people. The maintenance of effort language, however, would arbitrarily freeze the age distribution of title I enrollees and severely limit a prime sponsor's ability to address its changing employment and training needs comprehensively.

Six: We support the following amendment to part D (similar to section 717 of H.R. 6044, and I quote:

> "Earnings received by any youth under this title shall be disregarded in determining the eligibility for any other immediate family member who resides in the same household for the amounts of any benefits based on need under any federal or federally assisted program.

Certainly, participation in a youth program should not prejudice the rights of other members of the youth's immediate family residing in the same household.

Seven: The only mention of fringe benefits for participating youth incorporates section 703(6) by reference in section 4 of H.R. 6138. This would limit benefits to workers' compensation. We would recommend that FICA also be included as a benefit. Previous categorical youth programs, and indeed an earlier draft of the bill, limited benefits to workers' compensation and FICA, and we endorse that limitation.

Eight: We would like to see clarification of intent in parts B and C to allow use of some funds for "seed" money for youth economic development projects similar to what occurred under OEO's youth development program—YDP—in the late 1960's.

Nine: We would like to see more attention paid to the school-to-work transition and to youth attached to the criminal justice system. As a postscript, Mr. Chairman, I would suggest that attention to the private sector and its relationship to apprenticeship might well be considered.

We are extremely supportive of the thrust of this legislation and hope that this subcommittee will carefully review our suggestions when working up this legislation.

In support of our suggestions, we would like to review the Bureau of Labor Statistics 1976 annual averages for the labor force status of teenagers by sex, race, and type of area.

[The complete report is enclosed as appendix A.]

Mr. KLEIN. We note that the unemployment rate for black male youth in central cities is 41.5 percent while in the suburbs it is 40.0 percent. The numbers of unemployed black youth in central cities versus suburbs and nonmetropolitan areas is in a ratio of 1.4 to 1. We present these brief examples only to reinforce our desire to have funds for this title distributed by formulas based on need. Too often well-meaning Federal officials make decisions that are not reflective of the most current data available. Youth programs cannot be equitably targeted without a formula distribution to prime sponsors based on need.

Moving back to our concern for an adequate share for local government conservation efforts in part A, Suffolk County has been operating a Youth Conservation Corps—YCC—program effectively within its CETA umbrella since 1974. Last year we served 474 youth in YCC, with 66 percent of these youth qualifying as economically disadvantaged.

[A detailed description of Suffolk County's YCC program is enclosed as appendix B.]

Mr. KLEIN. The YCC program has been well received by the citizens of Suffolk County. In 1976, six Suffolk townships, on their own, contributed $90,000 to increase the size of our program.

In 1977, eight Suffolk townships plan to contribute $105,000 to augment our YCC program. The local need and commitment to this program is clear. We are ready and have the experience to institute a year-round residential and nonresidential program. However, we need assurances that adequate Federal funds under part A will be allocated to county governments to meet their conservation needs.

We would be remiss in our responsibility to the CETA system if we did not take this opportunity to point out some title VI implementation problems that are occurring as prime sponsors get ready to use the funds in H.R. 4876, the economic stimulus supplemental. We raise these issues with the hope that the Senate and conference report accompanying H.R. 2992 could be used to clarify intent with regard to section 608(a) of Public Law 94-444 which defines client eligibility. The following cases are examples of the problems. Let me give you the first example. The others speak for themselves. They are in the text. I will not take your time for that.

As an example, an individual is employed for 6 weeks before realizing that he or she is eligible for UI. That individual then collects UI for 9 weeks and is told that he or she must stay on UI for another 6 weeks before he or she is eligible for a title VI job.

We would hope that Congress did not intend for this game to be placed on [illegible].

There is thereafter listed in the statement some observations we make with respect to title VI implementation which we respectfully ask that you cull from the testimony.

We are very grateful for the opportunity to testify before your subcommittee. We are enclosing as appendix C our detailed section-by-section suggestions on this bill.

Mr. Chairman, Mr. Weintraub and I stand ready to answer any questions you have.

[The statement of Mr. Klein follows:]

STATEMENT by

THE NATIONAL ASSOCIATION OF COUNTIES
1735 NEW YORK AVE., N.W., WASHINGTON, D.C. 20006 · (202) 785-9577

STATEMENT OF

JOHN V.N. KLEIN

COUNTY EXECUTIVE

OF

SUFFOLK COUNTY, NEW YORK

ON BEHALF OF

THE NATIONAL ASSOCIATION OF COUNTIES

BEFORE

THE HOUSE SUBCOMMITTEE

ON

EMPLOYMENT OPPORTUNITIES

APRIL 21, 1977

WASHINGTON, D.C.

STATEMENT OF JOHN V.N. KLEIN, COUNTY EXECUTIVE, SUFFOLK COUNTY, NEW YORK, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES*, BEFORE THE HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, MY NAME IS JOHN V.N. KLEIN, COUNTY EXECUTIVE OF SUFFOLK COUNTY, NEW YORK. I HAVE CHAIRED THE EMPLOYMENT POLICY STEERING COMMITTEE OF THE NATIONAL ASSOCIATION OF COUNTIES FOR FOUR YEARS AND HAVE SERVED AS A MEMBER OF THE CETA TITLE V NATIONAL COMMISSION FOR MANPOWER POLICY SINCE ITS INCEPTION. I AM ALSO AN ACTIVE MEMBER OF THE COUNCIL FOR NORTHEAST ECONOMIC ACTION. I AM ACCOMPANIED TODAY BY JON WEINTRAUB, A LEGISLATIVE REPRESENTATIVE WITH THE NATIONAL ASSOCIATION OF COUNTIES, THE ONLY NATIONAL ORGANIZATION REPRESENTING COUNTY GOVERNMENT IN THE UNITED STATES.

WE ARE HERE TODAY TO OFFER OUR SUPPORT FOR A NEW YOUTH TITLE WITHIN CETA. THE NACO STAFF HAS COMMENTED ON TWO EARLIER DRAFTS OF HR 6138 AND HAS BEEN AN ACTIVE PARTICIPANT IN THE REVIEW PROCESS. WE STRONGLY SUPPORT THE OPENNESS OF THE ADMINISTRATION IN SEEKING COMMENTS ON THE BILL FROM COUNTY OFFICIALS, MAYORS, AND GOVERNORS PRIOR TO SUBMITTING IT TO CONGRESS. WE URGE THE ADMINISTRATION TO CONTINUE THIS PROCESS WHEN REDRAFTING CETA AND CONGRATULATE THE ADMINISTRATION FOR INITIATING THIS EFFORT.

WE APPLAUD THE ADMINISTRATION FOR DEVELOPING A NEW TITLE OF CETA TARGETED TO YOUTH INSTEAD OF TRYING TO DEVELOP PROGRAMS UNDER TITLE III. HOWEVER, NACO FEELS THAT THIS BILL CAN BE IMPROVED FURTHER. NACO'S POSITION ON YOUTH PROGRAMS IS STATED IN SECTION 5.7 OF THE AMERICAN COUNTY PLATFORM:

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*The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are: to improve county governments; to serve as the national spokesman for county governments; to act as a liaison between the nation's counties and other levels of government; and, to achieve public understanding of the role of counties in the federal system.

"SPECIAL FUNDS FOR JOBS PROGRAMS FOR YOUNG PEOPLE SHOULD BE PROVIDED ANNUALLY UNDER CETA.

PRIME SPONSORS SHOULD BE ALLOWED FLEXIBILITY IN PROVIDING PROGRAMS FOR OTHER NEEDY YOUTH IN ADDITION TO ECONOMICALLY DISADVANTAGED YOUTH."

WHILE SUPPORTIVE OF THE GENERAL CONCEPTS IN THIS BILL WE WOULD LIKE TO OFFER THE FOLLOWING SUGGESTIONS:

1) WE WOULD LIKE TO SIMPLIFY CLIENT ELIGIBILITY BY LIMITING ELIGIBILITY FOR ALL THREE PARTS TO UNEMPLOYED YOUTH WHOSE GROSS FAMILY INCOME IS BELOW THE BLS LOWER LIVING STANDARD BUDGET. WE FEEL THIS WOULD ALSO ALLOW PRIME SPONSORS TO REFER ELIGIBLE YOUTH TO THE PROGRAM BEST DESIGNED TO MEET THEIR NEEDS. THIS WOULD ACHIEVE SOME TARGETING FOR PARTS A AND B WHILE SIMPLIFYING THE LANGUAGE IN SECTION 835(a)(2) IN PART C. WE BELIEVE THAT THE BLS LOWER LIVING STANDARD BUDGET IS A REALISTIC INCOME CRITERION FOR YOUTH IN URBAN CITY AND COUNTY AREAS. CETA PRIME SPONSORS COULD FURTHER CONSTRAIN ELIGIBILITY THROUGH THEIR NORMAL PLANNING COUNCIL PROCESS, AS MANY PRIME SPONSORS HAVE DONE UNDER TITLES I AND II.

2) WE RECOMMEND THAT THIS SUBCOMMITTEE REVIEW THE FOLLOWING GENERAL COMMENTS ON PARTS A, B, AND C:

PART A: WE WOULD LIKE TO EXPLORE SOME WAY OF ACHIEVING EQUITY IN THE EXPENDITURE OF FUNDS BY STATE FOR THIS PART GIVEN THE VARYING DISTRIBUTION OF ACREAGE AND DIFFERING CONSERVATION NEEDS IN FEDERAL, STATE, COUNTY AND CITY PARK LANDS ACROSS THE UNITED STATES. LEGISLATIVE INTENT NEEDS TO BE CLARIFIED AS TO THE PROPORTION OF FUNDS IN PART A TO BE DEVOTED TO RESIDENTIAL VERSUS NON-RESIDENTIAL PROGRAMS. CLEAR LEGISLATIVE INTENT MUST ALSO BE PROVIDED SO THAT FEDERAL, STATE AND LOCAL CONSERVATION NEEDS ARE REVIEWED EQUITABLY BY THE DEPARTMENTS OF INTERIOR AND AGRICULTURE.

PART B: WE ONLY NEED TO RECALL THE PROBLEMS WITH THE RECENT PUBLIC WORKS FUNDS TO REJECT THE GRANT APPLICATION PROCESS CURRENTLY ENVISIONED IN PART B. WE DO NOT NEED TO MAKE PART B A "FULL EMPLOYMENT ACT" FOR CONSULTANTS. WE WOULD PREFER A DIRECT ALLOCATION FORMULA BASED ON NEED TO ALL PRIME SPONSORS WHO WOULD THEN REVIEW PROJECT APPLICATIONS THROUGH THE ADVISORY COUNCIL PROCESS. THIS BILL ENFRANCHISES A NEW LOCAL OFFICIAL, THE SECRETARY OF LABOR, WHO DECIDES WHAT PROJECTS SHOULD BE FUNDED IN MY COUNTY. WITH ALL DUE RESPECT I WOULD SUGGEST THAT THE CITIZENS OF SUFFOLK COUNTY DID NOT ELECT RAY MARSHALL AS THEIR COUNTY EXECUTIVE. I THINK THAT I HAVE A BETTER FINGER ON THE PULSE OF SUFFOLK COUNTY THAN THE SECRETARY OF LABOR OR HIS REPRESENTATIVE SITTING IN THE REGIONAL OFFICE IN NEW YORK.

PART C: WE FAVOR AN ALLOCATION METHODOLOGY WHICH DISTRIBUTES 80% OF THE FUNDS BY FORMULA WITH 20% REMAINING FOR THE SECRETARY'S DISCRETION.

3) THE EXISTING ADMINISTRATIVE DEFINITION OF UNEMPLOYED TENDS TO EXCLUDE MOST STUDENTS AND JUVENILE OFFENDERS. WE WOULD LIKE TO SEE ELIGIBILITY EXPANDED TO ALLOW FOR THE PARTICIPATION OF IN-SCHOOL YOUTH AND YOUTH ATTACHED TO THE CRIMINAL JUSTICE SYSTEM.

4) WE OBJECT TO THE INCLUSION OF DAVIS-BACON AND PREVAILING WAGE LANGUAGE FOR YOUTH IN SECTION 851(j)(3) OF PART D. WE SUGGEST THAT THE MODEL ESTABLISHED IN CATEGORICAL YOUTH PROGRAMS OF "FEDERAL, STATE OR LOCAL MINIMUM WAGE, WHICHEVER IS THE HIGHEST" BE APPLIED TO ALL PARTS OF THIS TITLE. WE FIND IT ABSURD TO DO OTHERWISE, ESPECIALLY WITH THE PROJECTED INCREASE IN THE MINIMUM WAGE. WE WANT TO MAXIMIZE THE NUMBER OF YOUTH BEING SERVED.

5) WE ARE PUZZLED BY THE MAINTENANCE OF EFFORT LANGUAGE IN PARTS B AND C AS APPLIED TO TITLE I. ENROLLMENT FIGURES FOR TITLE I OF CETA MAKE IT CLEAR THAT PRIME SPONSORS PLACE A VERY HIGH PRIORITY ON SERVING YOUTH. DURING THE PERIOD FROM JULY 1, 1975, TO SEPTEMBER 30, 1976, 57 PERCENT OF THE MORE THAN TWO MILLION

INDIVIDUALS WHO RECEIVED TITLE I TRAINING SERVICES WERE UNDER 22 YEARS OLD. THE MEDIAN AGE FOR ALL TITLE I ENROLLEES DURING THAT TIME WAS 21. GIVEN THIS RECORD, IT IS SAFE TO ASSUME THAT PRIME SPONSORS WILL CONTINUE TO EMPHASIZE SERVICES TO YOUNG PEOPLE. THE MAINTENANCE OF EFFORT LANGUAGE HOWEVER, WOULD ARBITRARILY FREEZE THE AGE DISTRIBUTION OF TITLE I ENROLLEES AND SEVERELY LIMIT A PRIME SPONSOR'S ABILITY TO ADDRESS ITS CHANGING EMPLOYMENT AND TRAINING NEEDS COMPREHENSIVELY.

6) WE SUPPORT THE FOLLOWING AMENDMENT TO PART D (SIMILAR TO SECTION 717 OF HR 6044):

> "EARNINGS RECEIVED BY ANY YOUTH UNDER THIS TITLE SHALL BE DISREGARDED IN DETERMINING THE ELIGIBILITY FOR ANY OTHER IMMEDIATE FAMILY MEMBER WHO RESIDES IN THE SAME HOUSEHOLD FOR THE AMOUNTS OF ANY BENEFITS BASED ON NEED UNDER ANY FEDERAL OR FEDERALLY ASSISTED PROGRAM."

CERTAINLY, PARTICIPATION IN A YOUTH PROGRAM SHOULD NOT PREJUDICE THE RIGHTS OF OTHER MEMBERS OF THE YOUTH'S IMMEDIATE FAMILY RESIDING IN THE SAME HOUSEHOLD.

7) THE ONLY MENTION OF FRINGE BENEFITS FOR PARTICIPATING YOUTH INCORPORATES SECTION 703(6) BY REFERENCE IN SECTION 4 OF HR 6138. THIS WOULD LIMIT BENEFITS TO WORKERS' COMPENSATION. WE WOULD RECOMMEND THAT FICA ALSO BE INCLUDED AS A BENEFIT. PREVIOUS CATEGORICAL YOUTH PROGRAMS LIMITED BENEFITS TO WORKERS' COMPENSATION AND FICA, AND WE ENDORSE THAT LIMITATION.

8) WE WOULD LIKE TO SEE CLARIFICATION OF INTENT IN PARTS B AND C TO ALLOW USE OF SOME FUNDS FOR "SEED" MONEY FOR YOUTH ECONOMIC DEVELOPMENT PROJECTS SIMILAR TO WHAT OCCURRED UNDER OEO'S YOUTH DEVELOPMENT PROGRAM (YDP) IN THE LATE 1960's.

9) WE WOULD LIKE TO SEE MORE ATTENTION PAID TO THE SCHOOL-TO-WORK TRANSITION AND TO YOUTH ATTACHED TO THE CRIMINAL JUSTICE SYSTEM.

WE ARE EXTREMELY SUPPORTIVE OF THE THRUST OF THIS LEGISLATION AND HOPE THAT THIS SUBCOMMITTEE WILL CAREFULLY REVIEW OUR SUGGESTIONS WHEN WORKING UP THIS LEGISLATION.

IN SUPPORT OF OUR SUGGESTIONS, WE WOULD LIKE TO REVIEW THE BUREAU OF LABOR STATISTICS 1976 ANNUAL AVERAGES FOR THE LABOR FORCE STATUS OF TEENAGERS BY SEX, RACE, AND TYPE OF AREA (THE COMPLETE REPORT IS ENCLOSED AS APPENDIX A). WE NOTE THAT THE UNEMPLOYMENT RATE FOR BLACK MALE YOUTH IN CENTRAL CITIES IS 41.5% WHILE IN THE SUBURBS IT IS 40.0%. THE NUMBERS OF UNEMPLOYED BLACK YOUTH IN CENTRAL CITIES VERSUS SUBURBS AND NON-METROPOLITAN AREAS IS IN A RATIO OF 1.4:1. WE PRESENT THESE BRIEF EXAMPLES ONLY TO REINFORCE OUR DESIRE TO HAVE FUNDS FOR THIS TITLE DISTRIBUTED BY FORMULAS BASED ON NEED. TOO OFTEN WELL MEANING FEDERAL OFFICIALS MAKE DECISIONS THAT ARE NOT REFLECTIVE OF THE MOST CURRENT DATA AVAILABLE. YOUTH PROGRAMS CANNOT BE EQUITABLY TARGETED WITHOUT A FORMULA DISTRIBUTION TO PRIME SPONSORS BASED ON NEED.

MOVING BACK TO OUR CONCERN FOR AN ADEQUATE SHARE FOR LOCAL GOVERNMENT CONSERVATION EFFORTS IN PART A, SUFFOLK COUNTY HAS BEEN OPERATING A YOUTH CONSERVATION CORPS (YCC) PROGRAM EFFECTIVELY WITHIN ITS CETA UMBRELLA SINCE 1974. LAST YEAR, WE SERVED 474 YOUTH IN YCC, WITH 66% OF THESE YOUTH QUALIFYING AS ECONOMICALLY DISADVANTAGED. (A DETAILED DESCRIPTION OF SUFFOLK COUNTY'S YCC PROGRAM IS ENCLOSED AS APPENDIX B).

THE YCC PROGRAM HAS BEEN WELL RECEIVED BY THE CITIZENS OF SUFFOLK COUNTY. IN 1976, SIX SUFFOLK TOWNSHIPS CONTRIBUTED $90,000 TO INCREASE THE SIZE OF OUR PROGRAM. IN 1977, EIGHT SUFFOLK TOWNSHIPS PLAN TO CONTRIBUTE $105,000 TO AUGMENT OUR YCC PROGRAM. THE LOCAL NEED AND COMMITMENT TO THIS PROGRAM IS CLEAR. WE ARE READY AND HAVE THE EXPERIENCE TO INSTITUTE A YEAR-ROUND RESIDENTIAL AND NON-RESIDENTIAL PROGRAM. HOWEVER, WE NEED ASSURANCES THAT ADEQUATE FEDERAL FUNDS UNDER PART A WILL BE ALLOCATED TO COUNTY GOVERNMENTS TO MEET THEIR CONSERVATION NEEDS.

WE WOULD REMISS IN OUR RESPONSIBILITY TO THE CETA SYSTEM IF WE DID NOT TAKE THIS OPPORTUNITY TO POINT OUT SOME TITLE VI IMPLEMENTATION PROBLEMS THAT ARE OCCURRING AS PRIME SPONSORS GET READY TO USE THE FUNDS IN HR 4876, THE ECONOMIC STIMULUS SUPPLEMENTAL. WE RAISE THESE ISSUES WITH THE HOPE THAT THE SENATE AND CONFERENCE REPORT ACCOMPANYING HR 2992 COULD BE USED TO CLARIFY INTENT WITH REGARD TO SECTION 608(a) OF P.L. 94-444 WHICH DEFINES CLIENT ELIGIBILITY. THE FOLLOWING CASES ARE EXAMPLES OF THE PROBLEMS:

1) AN INDIVIDUAL IS UNEMPLOYED FOR 6 WEEKS BEFORE REALIZING THAT HE/SHE IS ELIGIBLE FOR UI. THAT INDIVIDUAL THEN COLLECTS UI FOR 9 WEEKS AND IS TOLD THAT HE/SHE MUST STAY ON UI FOR ANOTHER 6 WEEKS BEFORE HE/SHE IS ELIGIBLE FOR A TITLE VI JOB. WE WOULD HOPE THAT CONGRESS DID NOT INTEND FOR THIS GAME TO BE PLAYED ON PEOPLE.

2) AN INDIVIDUAL IS TITLE VI INELIGIBLE ALTHOUGH UI ELIGIBLE BECAUSE HE/SHE IS NOT COLLECTING UI PAYMENTS BECAUSE OF INADEQUATE PRIOR SALARY WHEN INTERPRETED BY STATE UI LAW. HERE IS A NEEDY INDIVIDUAL WHO IS NOT BENEFITTING FROM UI, ALTHOUGH ELIGIBLE, AND IS EXCLUDED FROM A CETA TITLE VI JOB BECAUSE OF THE CONSTRAINTS OF SECTION 608(a).

3) MANY STATE UI LAWS REQUIRE AN INDIVIDUAL WHO VOLUNTARILY LEAVES A JOB TO WAIT SIX MONTHS BEFORE RECEIVING UI. HERE IS A CLASS OF PEOPLE WHO BY STATE LAW IS UI ELIGIBLE WHO HAVE TO WAIT 6 MONTHS PLUS 15 WEEKS RECEIVING UI BEFORE BEING ELIGIBLE FOR A TITLE VI JOB.

4) THE "PUBLIC PAYMENTS" LANGUAGE WHICH IS REPEATED IN THIS YOUTH BILL, IS BEING INTERPRETED ONLY TO INCLUDE FEDERAL PUBLIC PAYMENTS, THEREBY NOT EXCLUDING AND THEREFORE COUNTING GENERAL LOCAL PUBLIC ASSISTANCE AS PART OF INCOME WHICH DISQUALIFIES AN INDIVIDUAL FROM A TITLE VI JOB.

5) THE FOLLOWING LANGUAGE IN SECTION 608(a)(2) [REPEATED IN SECTION 835(a)(3)], "(EXCLUSIVE OF UNEMPLOYMENT COMPENSATION AND OTHER PUBLIC PAYMENTS . . .)", PUTS THE CART BEFORE THE HORSE. IT FORCES ELIGIBILITY DETERMINATION BASED ON INCOME THE APPLICANT CANNOT RECEIVE, UNLESS HE OR SHE IS ENROLLED. IT ALSO HAS THE POTENTIAL TO CAUSE SOME AFDC DEPENDENT APPLICANTS TO BE DECLARED INELIGIBLE. THIS IS BECAUSE, DEPENDING ON THE WAGES RECEIVED, THE AFDC BENEFITS MAY BE REDUCED RATHER THAN ELIMINATED. THUS, AN INTAKE WORKER MUST PROJECT THE POTENTIAL CETA WAGE, THE AFDC ADJUSTMENT, AND ANNUALIZE THE RESULT. THESE COMPLICATED CALCULATIONS CAN ONLY BE GUESS WORK.

NACO SUGGESTS THAT THIS SECTION BE INTERPRETED IN THE CONFERENCE REPORT ACCOMPANYING HR 2992 TO MEAN: "EXCLUSIVE OF UNEMPLOYMENT COMPENSATION AND ALL FEDERAL, STATE AND LOCAL INCOME-TESTED AND/OR NEEDS TESTED PUBLIC PAYMENTS." THIS INTERPRETATION WOULD RESULT IN ELIGIBILITY DETERMINATION AND ENROLLMENT BASED ON ACTUAL INCOME OTHER THAN PUBLIC PAYMENTS.

A FURTHER CLARIFICATION COULD BE THAT THE APPROPRIATE MEMBERS OF AFDC FAMILIES ARE AUTOMATICALLY ELIGIBLE FOR TITLES VI AND VIII.

MR. CHAIRMAN, WE APPRECIATE THIS OPPORTUNITY TO TESTIFY BEFORE YOUR SUBCOMMITTEE. WE ARE ENCLOSING AS APPENDIX C OUR DETAILED SECTION BY SECTION SUGGESTIONS ON THIS BILL. WE STAND READY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE.

Table 1. Labor force status of teenagers, by sex, race, and type of area, 1976 annual averages

[Numbers in thousands]

Employment status and area	All teenage workers			Males			Females		
	Total	White	Black	Total	White	Black	Total	White	Black
CENTRAL CITIES									
Civilian noninstitutional population	4,521	3,178	1,245	2,209	1,567	594	2,312	1,611	651
Civilian labor force	2,285	1,802	443	1,206	948	236	1,079	854	207
Participation rate	50.5	56.7	35.6	54.6	60.5	39.7	46.7	53.0	31.8
Employed	1,751	1,464	256	912	756	138	838	706	118
Unemployed	535	338	188	294	191	98	241	147	89
Unemployment rate	23.4	18.8	42.4	24.4	20.1	41.5	22.3	17.2	43.0
Not in labor force	2,236	1,376	802	1,003	619	357	1,233	758	444
SUBURBS									
Civilian noninstitutional population	6,652	6,149	402	3,287	3,046	190	3,364	3,104	213
Civilian labor force	3,843	3,631	167	2,013	1,903	85	1,831	1,728	82
Participation rate	57.8	59.1	41.5	61.2	62.5	44.7	54.4	55.7	38.5
Employed	3,155	3,015	103	1,643	1,570	50	1,514	1,447	52
Unemployed	687	617	64	370	334	34	317	283	30
Unemployment rate	17.9	17.0	38.3	18.4	17.6	40.0	17.3	16.4	36.6
Not in labor force	2,808	2,518	236	1,274	1,143	106	1,534	1,374	130
NONMETROPOLITAN AREAS									
Civilian noninstitutional population	5,254	4,626	579	2,643	2,327	294	2,609	2,298	285
Civilian labor force	2,842	2,606	210	1,613	1,477	122	1,228	1,129	88
Participation rate	54.1	56.3	36.3	61.0	63.5	41.5	47.1	49.1	30.9
Employed	2,363	2,205	139	1,350	1,252	88	1,013	952	50
Unemployed	479	402	71	264	224	34	215	176	37
Unemployment rate	16.9	15.4	33.8	16.4	15.2	27.9	17.5	15.7	42.0
Not in labor force	2,411	2,019	369	1,030	850	172	1,381	1,169	198

NOTE: Totals include data for workers not classed as white or black.

Table 2. Teenagers not in the labor force, by reasons for not seeking work, type of area, and sex, 1976 annual averages

[Percent distribution]

Item	Males			Females		
	Central cities	Suburbs	Nonmetropolitan areas	Central cities	Suburbs	Nonmetro- polit areas
Number not in labor force (in thousands)....	1,003	1,274	1,030	1,233	1,534	1,[illegible]81
Total...............	100.0	100.0	100.0	100.0	100.0	100.
Keeping house............	.7	.3	.3	19.5	15.1	22.5
Going to school...........	78.3	80.3	80.3	64.3	69.8	63.8
Ill, disabled.............	1.0	.4	.7	.4	.2	.3
Other....................	20.0	19.0	18.7	15.8	14.8	13.5

Table 3. Unemployed teenagers, by duration and type of area, 1976 annual averages

[Percent distribution]

Duration of unemployment	Central cities	Suburbs	Nonmetro-politan areas
Number of unemployed (in thousands)....	476	655	457
Total..............................	100.0	100.0	100.0
Less than 5 weeks......................	42.5	51.3	50.7
5 to 14 weeks	39.2	32.4	32.3
15 to 26 weeks.........................	11.8	11.4	11.1
26 weeks and over......................	6.5	4.9	5.9

Appendix B

SUFFOLK COUNTY YOUTH CONSERVATION CORPS PROGRAM

The Suffolk County Youth Conservation Corps (YCC) enrolled 474 youngsters, age 15 to 18, last year (1976) in one of the largest YCC programs operated by any local government.

The youths worked at specially designated clean-up and beautification projects at 800 sites throughout the County marking an important contribution to improvement of the County's natural environment. The summer of 1976 marked the third successive year that the Suffolk YCC has served the Suffolk community. It was also the fifth year that the Suffolk Department of Labor had conducted an environmental program for youth.

The youngsters, most of them attending high school and college, worked as members of 50 crews, each with a crew chief. Each working day the youngsters were transported to and from work sites in vehicles leased by the Department of Labor, which administers the overall County program. The youth earned $2.30 an hour during their 35-hour work week and developed a greater knowledge and appreciation of the County's natural resources along the way. Of the total enrollees, 66 percent came from economically disadvantaged homes.

The activity of the Corps throughout the County has been quite diversified. Under the Category of Woodland Management the Corps improved landscapes by removing debris and the thinning, pruning and planting of vegetation. The YCC crews cleaned up 20 state and local parks, pruning bushes and trees and planting trees. Since 1976 was a Bicentennial year the Corps landscaped , restored and improved Bicentennial sites and historical areas including seven cemeteries. The crews cleaned out recharge basins, and removed obstructions from culverts and feed-in pipes leading to sumps. The youngsters also cleaned and blazed 57 miles of nature trails in 25 state , County and municipal preserves during the eight-week summer period.

Under the category of water and soil conservation the YCC crews freed streams of debris obstructing the natural flow of water, removing materials ranging from garbage, bottles, cans, and leaves to newspapers, shopping carts, refrigerators and washing machines from streams. They also worked at preventing soil and dune erosion along Long Island's north and south shores by planting hundreds of pine shrubs and installing drift fencing. To further their environmental education the youngsters were also taken on field trips to the New York State Ocean Science Laboratory, the Sunken Forest of Fire Island, the Vanderbilt Museum and Planetarium, the Suffolk County Marine Museum, and the Bayard Cutting Aboretum.

The day-to-day coordination and success of the broad YCC program in Suffolk has largely been made possible through the excellent cooperation that prevails between the Suffolk County Department of Labor and the Town governments. Last year 6 Suffolk Townships (Babylon, Huntington, Smithtown, Islip, Riverhead, East Hampton) contributed $90,000 toward the YCC program. This year a total of 8 Townships (including Southhampton and Brookhaven) are contributing $105,000 to the funding for the Suffolk YCC program. The Department of Labor has been designated as the single umbrella agency administering all manpower programs by the Suffolk County Prime Sponsor in consortium with the Suffolk Towns.

Originally the YCC program was authorized by the federal Youth Conservation Corps Act of 1970 which created summer environmental residential camps. The Corps was placed under the joint administration of the Department of Agriculture and Interior. In 1973 the Act was amended permitting financial assistance to states to cover the costs of their environmental projects and the employment of youngsters in the program. The amendment also made it possible for local communities to establish non-residential YCC programs. In 1974, after having observed two prior ecology programs conducted independently by Suffolk, the N.Y. State Department of Environmental Conservation awarded the County's first YCC program to the Suffolk Department of Labor. Suffolk's first YCC program started with a modest grant of $25,000 for the summer of 1974. By the summer's end the state had increased the grant to $150,000. In 1975, with initial federal funding and matching funds of New York State, Suffolk County and local Townships, YCC funds totaled $337,000. During 1976 funding which also included earmarked CETA summer monies under Titles I and III was increased to a total of $368,000 for the Suffolk YCC program. Funding for the 1977 summer YCC program is expected to provide for an enrollment of 450 youths, funded from federal, state and local monies.

The ever-increasing size of the Suffolk YCC program calls for greater preparation and planning. The high youth unemployment picture in the County and the benefits derived by both the youth and the community all point to recommending the need for making the YCC program in Suffolk a continuous year-round effort with suitable trained staff.

Also the YCC program has been so well received by citizens in the community and by the youngsters themselves that Suffolk should now explore the possibility of instituting a residential YCC program coordinating with the present non-residential program. The legislation under debate for a year-round non-residential YCC program is a step in the right direction. But, a local residential program for youth involving a campsite with proper personnel should also be funded by federal monies.

Appendix C

Specific Comments on H.R. 6138/S. 1242

Part A - National Young Adult Conservation Corps

Sec. 801 - NACo recommends that priority be given to needy youth, without restricting participation unnecessarily. The section could be amended as follows: ". . .to youth, especially youth from families whose income is below the lower living standard budget, who would not . . ."

Sec. 802 - Both residential and non-residential Corps centers should be allowed explicitly.

Sec. 803(b)(1)(A) - The proviso here cannot be administered meaningfully because there is no way objectively to judge a young person's motives.

Sec. 803 (c) - NACo recommends that this preference be replaced by a criterion of family income equal to or less than the lower living standard budget. Otherwise, one would have to establish recruitment quotas for areas, sometimes at the census tract level, with 6.5 percent unemployment. Perhaps geographic targeting could better be accomplished by a formula distribution of funds for the creation of Centers based on each state's relative number of unemployed youth.

Sec. 803 (d) - NACo recommends that CETA Title I prime sponsors be given the primary responsibility for recruitment. Because the prime sponsors have direct access to the full range of youth employment and training opportunities, they are in the best position to refer individual young people to the most appropriate available activity, whether that be the Corps, programs under other parts of this title or other titles of CETA.

Sec. 803(e)(2) - If income criteria are used for targeting services to needy youth, there would be no need to prohibit participation solely during the summer vacation. There are two practical arguments against this section: 1) public lands and waters require increased care and maintenance during the summer, and 2) the section would exclude all in-school youth, no matter how needy.

Sec. 804(b)(6) - At the end of the sentence, add the following: ". . . and state and local agencies engaged in similar activities."

Sec. 805 - There is no mention of fringe benefits. NACo recommends that the legislation mandate FICA and workers' compensation for programs under all three parts of this title.

Sec. 806 - Agreements should be made directly with state and local chief elected officials, who may designate the appropriate public agency to carry out activities under this part.

Part B - Youth Community Conservation and Improvement Projects

Sec. 811 - Delete the words ". . . supplementary to, but not replacing opportunities available under title I of this Act." Enrollment figures for title I of CETA make it clear that prime sponsors place a very high priority on serving youth. During the period from July 1, 1975, to September 30, 1976, 57 percent of more than two million individuals who received title I training services were under 22 years old. The median age for all title I enrollees during that time was 21. Given this record, it is safe to assume that prime sponsors will continue to emphasize services to young people. The legislative language in this section, however, would arbitrarily freeze the age distribution of title I enrollees and severely limit a community's ability to address its changing employment and training needs comprehensively.

Sec. 812(3)(A) - "Unemployed" is administratively defined so as to exclude most students. If it is intended to allow after-school and/or week-end projects, "unemployed" should be applied only to out-of-school youths.

Again, NACo recommends that preference be given to young people from families whose income does not exceed the lower living standard budget.

Sec. 813 - NACo recommends that funds be targeted by some kind of needs criteria. We prefer a targeted, formula allocation to all CETA prime sponsors. In any event, it is administratively essential to provide planning allocations so that prime sponsors have a reasonable limit on the cost of project applications they select for submission to the Secretary.

Sec. 814 - Is this intended to outlaw the coupling of part B projects with other CETA or non-CETA activities?

Sec. 815 (b)(8) - This is more appropriately the function of the prime sponsor (eligible applicant). Many prime sponsors have well over one hundred Title VI projects. If a similar number of agencies apply to operate these projects, it would be absurd for each operator to negotiate its own recruitment and coordination procedures.

Sec. 816(b) - The prime sponsor (eligible applicant) must have a dollar allocation or target in order to limit applications to a reasonable total. Moreover, given the bulk of narrative description contained in each application, the time required to solicit and review proposals, and the number of possible applications, NACo strongly recommends that the project applications not be a part of the proposed agreements.

Sec. 817(a) - If the selection procedures of section 816(c) are to be meaningful, the Secretary should at least abide by the priorities established by the prime sponsor and its planning council. Project by project approval, especially in cases where there is no specific local allocation, suggests to experienced federal grantsmen that virtually any application be submitted on the chance that it might be approved.

Sec. 817(b)(2) - See our comment on section 812(3)(A). Because of the definition of "unemployed," very few youth in school would be eligible.

Part C - Comprehensive Youth Employment and Training Programs

Sec. 831 - NACo strongly recommends that the Title I hold harmless language be deleted for the same reasons outlined in our comments on section 811.

The statement of purpose or report language should make it clear that placement in unsubsidized employment is not the only or, for younger participants, even the primary acceptable outcome of this part. Labor market studies make it clear that frequent job changing and a pattern of entering and leaving the labor force are characteristic of, and frequently beneficial to, young people. Programs that facilitate job sampling and/or a return to school may be just as valuable as training for a specific job in the long run.

Sec. 833(a) - NACo recommends that 80 percent of the funds be allocated to prime sponsors by formula based on needs criteria.

Sec. 833 (a)(3) - NACo recommends the use of the average of the most recent twelve months' data to avoid penalizing some areas because of normal seasonal variations.

Sec. 833(d) - NACo recommends that 20 percent of the funds be covered by this section.

Sec. 835(a)(1) - This would exclude most in-school youth. See our comment on Section 812(3)(A).

Sec, 835(a) (3) - It would be simpler to say: "are members . . . not exceeding 70 per centum. . ."

The language of the parenthetical expression puts the cart before the horse and repeats a problem with title VI eligibility determinations. It forces eligibility determination based on income the applicant cannot receive, unless he or she is enrolled. It also has the potential to cause some AFDC dependent applicants to be declared ineligible. This is because, depending on the wages received, the AFDC benefits may be reduced rather than eliminated. Thus, an intake worker must project the potential CETA wage, the AFDC adjustment, and annualize the result. These complicated calculations can only be guess work.

NACo suggests the following alternative language:

"(exclusive of unemployment insurance and all income-tested and/or needs-tested public payments)."

This language would result in eligibility determination and enrollment based on actual income other than public payments. Those other systems would then adjust benefits based on the family's changed real income, not on a projection of income if the person enrolls in CETA. Such adjustments might include the following:

1. Disqualification from receiving UC, by reason of employment, or
2. Reduction in AFDC, SSI, etc. (income/needs tested public payments); or
3. Disqualification for such income/needs tested public payments if the salary is sufficiently high.

Section 832(c)(6) should be included in the list of activities open to otherwise ineligible youth.

Sec. 836(2) - Delete this section as it nearly duplicates section 105(a)(3). There is no justification for mandating the public employment service as a referral agency. Section 105 directs prime sponsors to utilize existing agencies, specifically including the public employment service, unless the agency's effectiveness in that locality is not up to the effectiveness of other potential services agencies. Selection of service deliverers based on their local effectiveness is essential to good programming.

Section 838(a) - Again, see our comment on section 812(3)(A) regarding the eligibility of in-school youth.

Part D - General Provisions

Sec. 851(f) - NACo recommends that this section reference section 104, so that it is clear that a parallel, duplicative mechanism is not envisioned.

Sec. 851(j)(3) - Youth should be limited to the federal, state, or local wage whichever is highest. Davis-Bacon and prevailing wage language should not be applied to youth.
Are projects under $5,000 likely?

Mr. Hawkins. Mr. Weintraub, do you wish to supplement the statement at this time.

Mr. Weintraub. No.

Mr. Hawkins. First of all, Mr. Klein, may we commend you on your very excellent presentation. You have given us a list of very specific suggestions. I think they are generally constructive and very helpful.

May I ask for further clarification of your statement on page 1, in which you state, "We applaud the administration for developing a new title of CETA targeted to youth instead of trying to develop programs under title III."

Just why do you think it is much more desirable to develop a youth title rather than to expand title III? In further explanation of that, you did indicate how well you had developed youth programs under existing titles.

Mr. Klein. We are concerned about the formula issued in title III. We believe that a separate title directly relating to youth employment without those implications would be much more appropriate, particularly in view of the size and specifically designed beneficiaries of the program.

Mr. Hawkins. It is the formula issue that primarily concerns you?

Mr. Weintraub. If programs are designed under title III, the Secretary would have complete flexibility to establish whatever program design he would like to. Whereas, a youth title with a formula allocation, allows prime sponsors to design youth programs to meet the local needs.

Mr. Hawkins. Next, with respect to the statement relating to eligibility, and your inclusion of part A under a general definition, a common criterion, you would then, as I see it, make part A also a program based on economic need, defining it to the lower income group rather than in some kind of low-income mix. The sponsors of this program have indicated their purpose was to obtain a mix and not to, in effect, segregate the lower income youth in the program.

Secondly: They have also indicated that they construe this program to be primarily one with an emphasis on the work which is to be done, that is the conservation, and not merely for the purpose of using the unemployed youth, even though they may be needy, to be dumped on a program of this nature.

What is your reaction to what seems to be a very sharp disagreement with the sponsors of that particular program?

Mr. Klein. I would call your attention to the fact that we are talking not about the economically disadvantaged, but we make specific reference to the BLS lower living standard——

Mr. Hawkins. May I interrupt here? What is that amount at the present time?

Mr. Klein. It varies from region to region. For example, if I may, the average I think is about $10,000 for a family of four for New York City. The suburban communities surrounding New York City are at the same level.

We believe that with the extraordinary number of youth to be served, it is best to apply the BLS lower living standard budget. This would yield a rather large mix of all income levels, excluding the upper income levels.

Mr. **Hawkins**. Do you believe an income level of say $15,000 with respect to the part A might address the problem both of serving those most in need while allowing for some economic mix?

Mr. **Klein**. It would help. But a figure of $15,000 applied nationally would not take into consideration the relative relationship of income levels among young people in the definition of poverty and affluence, as it varies from region to region.

While $10,000 for a family of four in sections to the Northeast might appear to people in the Southeast a high level of income, the reverse is not true if you use the uniform application of $15,000. In some of the regions of our country where the average is very low, a number of youth who would be served who, by the normal economic standards would be depriving others more needy of an opportunity.

I think perhaps NACO's position and the position that you have outlined with respect to the sponsors does make a distinction between the objective of conservation and employment of youth. I think both would have an emphasis on helping youth.

Mr. **Hawkins**. Let me yield to the other members of the committee. Mr. Sarasin.

Mr. **Sarasin**. I apologize for not being here when your statement was presented. I have a hearing going on in the other room with the administration's proposal. There has to be a better way to run this ball game but I have not figured out how.

Mr. **Klein**. May I say when you do, will you pass it down to the local governments as well?

Mr. **Sarasin**. Let me put forth some questions that are suggested by counsel. What is your view of the Davis-Bacon provision in 851(j)(3)?

Mr. **Klein**. We object to the application of the Davis-Bacon prevailing wage language. We think what we are here to do is provide the broadest number of job opportunities to youth as can be achieved. We think that the prevailing wage with the Davis-Bacon rule is going to minimize that, and with the projected increase in the minimum wage, we think that that provides a kind of level of compensation which, viewed in the context of the purpose of the program, is adequate. But, the application of the prevailing wage language is not realistic.

Mr. **Sarasin**. Would you feel the minimum wage should be applied to 14- and 15-year-olds?

Mr. **Klein**. I don't know. Our committee has dealt with that issue in detail.

Mr. **Weintraub**. Our position has been in favor of applying the minimum wage to all participants in youth programs. We have never taken up the issue of giving wages based on age. But given the fact that the minimum wage will probably rise to somewhere between $2.50 and $3 during this session of Congress, we feel that is adequate as payment to youth who participate in this program.

Mr. **Sarasin**. May I ask you if you have had an opportunity, in addition to reviewing H.R. 6138, to look at H.R. 6044, which I have introduced?

Mr. **Klein**. I will refer that to Mr. Weintraub.

Mr. **Weintraub**. As a staff person, I have read that bill in detail. We find certain parts of it attractive that involves the private sector.

We feel—and we mentioned that in our testimony—that that was a problem in the President's bill. We would like to see some tie-in with the private sector. Our steering committee has not reviewed that particular piece of legislation but we do like the approach and tying in with the private sector.

Mr. **Sarasin**. Thank you. Thank you, Mr. Chairman.

Mr. **Hawkins**. Mr. Weiss.

Mr. **Weiss**. Thank you, Mr. Chairman.

I would like to welcome you also. I don't mean this to be a political endorsement, but I want my colleagues to know you are so highly thought of for the job you have been performing that most people in the New York area don't know what political party you belong to, and most don't care. I think that is the highest commendation you can have.

Mr. **Klein**. My party chairman may not think so.

Mr. **Weiss**. You are appearing on behalf of the National Association of Counties, so you are not appearing as the Suffolk County executive?

Mr. **Klein**. No, sir. I am chairman of the steering committee on employment for NACO.

Mr. **Weiss**. I ask that because, as the chairman has indicated, we have had in the presentation of this program, the President's program, and some of the earlier suggestions about it, some very strong indications as to why part A of this bill was drafted and was proposed; that it was intended not to have any correlation to need. I gather from your statement that the National Association of Counties very specifically goes exactly the other way, that in fact you want there to be a direct correlation as to need in all parts of this legislation.

Mr. **Klein**. That is correct.

Mr. **Weiss**. One of the arguments that has been used in suggesting that there is not this correlation of need is that in some way there would be a stigmatization of the program if it became apparent to all that it was the program for disadvantaged youth. Your testimony indicates that in Suffolk you have had the experience where some two-thirds of the people participating in this program have been in fact kids who are disadvantaged. I ask you then what has been the general reaction among the population at large. Has there been a feeling that the program was discriminatory as against those of the middle and upper middle income levels? Has it been felt to be stigmatized for the poor or disadvantaged kids? What has been the reaction and the attitude?

Mr. **Klein**. I can give an answer from a regional perspective. I do not have the audacity to suggest anything beyond my region. On the basic issue of appearances of discrimination by virtue of the limitation on income, I assure you that the spokesmen for the poverty level individuals, particularly community based organizations, do not share any concern or express any concern with respect to a specific identification of the participants of lower income levels by being included in the program.

Conversely, I think it is fair to say that there is a general acceptance that the affluent youth in our communities have the ability and the wherewithal either to find employment on their own or to provide activities supplemented by their family resources, which do not require specific Federal aid through the local government. That is a long way of saying that on either side of that coin I do not perceive any local feeling that it would be discriminatory if the legislation and funding were based upon need.

I have a difficult time, personally, approaching the concept on any basis other than need. It seems to me that what we are talking about is unemployment. We are talking about unemployment among a specific group of people, a program targeted for that specific group of people. Certainly, the income criterion which we have suggested is rather generous, I might add, in terms of poverty definition. That is a long answer and I apologize for it.

Mr. WEISS. That is all right. I appreciate it. Would you think that since apparently in Suffolk, even with the effort to involve the disadvantaged youth in the program, approximately one-third were in fact at lower level, which indicates that you can't always, with the best outreach program, there can't always be just disadvantaged kids in the program. Would you think it might make some sense if we can tie all of it into a need basis, to have a pro rata kind of situation where perhaps two-thirds would in fact be allocated to the income level you spoke about, and one-third would have no income criteria, rather than have it all thrown wide open?

Mr. KLEIN. That, I think, would be our fallback position. I think it would be accurate to say, without getting into the specific numbers you mentioned, that in Suffolk County the inclusion of nondisadvantaged youth in the program was done because it was a combined effort of six municipalities plus the county government, and it was a very rapid implementation. There was not a great deal of agonizing over numbers. It just turned out we had a participation which I think was in the 66-percent range.

If you look at the characteristics of participants in title I, where only one in three eligibility qualifications is for the economically disadvantaged, prime sponsors have consistently over the 3 years of the program been at 77- or 78-percent economically disadvantaged. So I think to a large extent, if given their own druthers, you will find enough of a high level of targeting within a program designed such as this if the prime sponsors or local governments get a chance to operate part A, which still is not crystal clear in the way the language is drafted.

Mr. WEISS. I have only one further question in the area of targeting. As you probably know, I had had the privilege of reintroducing a bill originally submitted by former Congressman Andrew Young, which is now H.R. 4520. In it, he had a provision which really allowed special targeting for handicapped kids—kids who had deficient educational backgrounds in basic skills, people who have had an involvement with the criminal justice system, and so on.

The requirement is, if there are in fact more people who are applying for the positions than there are positions available, that there would be priorities given to these people with special problems.

Now, would you have any comment on that? Would you favor or oppose it? What would your reaction be?

Mr. KLEIN. We have indicated that we believe that the definition used in the language of the act should be broadened to permit the involvement of both in-school and out-of-school, but to be more responsive to your question, also of youth attached to the criminal justice system. I think by that we clearly imply a desire to be specifically responsive to that group.

My committee would be glad very promptly to answer the narrower question which is: with its limited number of slots, who would be given priority within that category? I am not prepared to give that answer today on behalf of the committee.

Mr. **Weiss**. Would you give it some thought? I appreciate your response. Thank you very much.

Thank you, Mr. Chairman.

Mr. **Hawkins**. Mr. Beard.

Mr. **Beard**. I have just an observation. I think the ideal thing is to take care of the areas such as the handicapped and the very poor, but I think, too, we have to weigh it all and take care of the sons and daughters of the people of the country who are paying for the the programs, the middle-income people. Most of our programs are geared for the extreme poor. Very few programs ever come out of the Congress geared to the middle-income group. I think they have to be considered because sometimes it may be necessary to have a job in order to maintain that situation, that particular category, with the rising increases of fees in the school, and tuition, and so on.

I would hope when this legislation finally comes out it would be a fair system for all, taking care of the people that really need it, but also making some jobs available for those people that are paying the bills.

Mr. **Klein**. Nobody can argue with that, Congressman. I think that it goes back to something I said to the chairman and that is, how you approach the basic objectives, for example, of part A: Is it indeed a program to deal with the issues involving physical alterations and improvements to public facilities, or is it a program designed to put young people to work, and, if so, how do you select from within that group?

But certainly I must tell you that the position that has been stated by us today on behalf of NACO represents the full membership. The issue you raised has been very forcefully and very fairly presented to the full membership in coming to the position we stated today. So we certainly have that concern in mind.

Mr. **Beard**. Thank you.

Mr. **Hawkins**. Mr. Klein, with respect to your statement on page 3 of your prepared statement, about halfway down the page, in part C, you make the comment that, "The existing administrative definition of unemployed tends to exclude most students and juvenile offenders."

I can see why the bias may be against students. But in what is the present administrative definition prejudicial towards juvenile offenders? Isn't that problem reached in the proposal under consideration on page 19 of the bill in which the language is inserted under that same section.

> **To the maximum extent feasible, programs under this part will be targeted on participants who are out of school and out of work and experiencing severe handicaps in obtaining employment?**

Why would that not include juvenile offenders?

Mr. KLEIN. I think the point we are making, Mr. Chairman—and Mr. Weintraub can be more specific—that statutory language, while it may not specifically by its construction preclude those attached to the criminal justice system, does not make it clear that they are to be included or permitted to be included. There is always the danger of an administrative regulation which interprets that statute to preclude it.

Mr. WEINTRAUB. If I can add to that, an "unemployed" person, according to the administrative definition, must be willing, able and actively seeking work. Institutionalized individuals often don't count as "unemployed" because they couldn't accept a job if one were offered. It varies from place to place. Therefore one needs to be crystal clear, either through report language or some other mechanism, that the intent, when you say "unemployed," is also to include the offender regardless of technical definitions.

Mr. HAWKINS. We will make that note and make sure the intent is clarified. I think the suggestion is very excellent.

With respect to targeting, just one final question, Mr. Klein. This may be somewhat in opposition to the position of NACO, and even of the best interests of my own constituency, who would probably benefit as much from targeting as anyone on this committee.

Is it not true that in the total picture, if you take all of the youth programs at the present time—those that are reached through CETA as well as those that are outside, including unemployment insurance and the YCC programs and so forth—that a great deal of targeting already prevails in most of these programs?

Now, in implementation it is true that some of them have not fulfilled the targeted concept. That is a failure perhaps in administration. But in most of them, title III and title VI of CETA certainly are targeted. These are the major ones. In these programs, the youths have participated roughly in almost 60 percent of the slots under most of the targeting. Under the proposal which we are now considering specifically, the two in part C, there is specific targeting, there is limited targeting in part D. Only in part A do we get to a sense of opening up a program in which there is—and I hate to say this—some political appeal for everyone rather than only for some specific groups.

In viewing the total picture, what I am indicating is, are we so far off that we would wrestle with part A and insist on a targeting provision in part A in view of the fact that we have other opportunities to do it and to have one program that would have some flexibility that the others may not have? Have you considered some balance, in other words, that should outweigh the problem or targeting everything that we pass through the House?

Mr. KLEIN. I understand the point you are making, Mr. Chairman. I think our response is that, while there is targeting in much of CETA, what we perceive here is a total departure from targeting. Perhaps we are back to the response I made to Congressman Weiss, that maybe what has evolved in our reaction is an effort to funnel some substantial part of these funds toward those who suffer an economic disadvantage.

I guess it can be argued from three different perspectives. What we are saying here is that significant portions of this act, parts A and B, have no income criteria whatever. Whether the end result is no income criteria whatever or one which has at least some portion of the bill targeted, is a matter of judgment and is obviously one only the Congress can make.

But the point we are making is that it appears to be a total departure from any targeting effort whatever. Mr. Weintraub may want to put a postscript on that.

Mr. **Weintraub.** We really struggled in our conversations to come up with a reasonable measure for targeting and as we look at the BLS lower living standard budget level, since that varies by areas over the country and jurisdiction to jurisdiction, we thought that would be the most equitable way to go about it without still being so limiting in approach.

If you compare, for example, the New York City, Connecticut, Rhode Island, and the Los Angeles figures for the BLS lower living standard budget, we are talking somewhere between $9,800 and $10,300, depending on which of those four judisdictions we are talking about.

If you take a look at the new data for poverty, you are talking about $5,850 for a family of four. So we thought that this would be the most reasonable and equitable solution to providing some targeting for parts A and B, while also in a sense lifting the targeting slightly for part C. We thought it was important at the local level, as you recruit youth, for the prime sponsor to be able to say, "Here are three types of programs that are available to youth. We will try to put you in the best program that meets your needs," rather than say, "This is a rich kid's program," or "This is a poor kid's program."

Mr. **Hawkins.** I won't pursue it. It seems to me there is some reason to do it not as a matter of policy, but that there is some argument in favor of making some of the programs a little different from some of the others. Personally, I am, as I say, partial to targeting. But I do think that some consideration should be given to the other approach as well.

Mr. Sarasin.

Mr. **Sarasin.** I am just wondering, Mr. Chairman, if we are trying to require the bill, at least Part A and B, especially Part B, to do some things it is not entitled to if we take the NACO approach, with the heavy targeting. I think we are looking at a bill that is doing several things, particularly as to a sort of public works program, as CETA's conservation program attachment. If we are going to try and specifically target at the most disadvantaged, maybe we ought to have another vehicle to do that, rather than part A and B. I suggest the other vehicle might be my bill. I think it does. I am not sure we ought to use this one as the vehicle to solve the kind of problem you are talking about.

Mr. **Klein.** I must say, it is difficult for me to deal with this issue because what we are giving is our perspective. What you are dealing with is congressional, legislative intent. It is a little hard for me to grapple with that. I understand exactly what you are saying, sir. What we are trying to do is give you our perception of what we think, with due respect to what legislative intent ought to be. That presumably is what we are saying.

Mr. SARASIN. After listening to the Department of Labor, it may not make any difference. They are going to do their own thing whether we react or what.

Mr. WEINTRAUB. I think possibly that could be avoided by creating legislative language, when the conference report comes in on 2992, in relation to that $1 billion, or floor statements when you are discussing this bill could demonstrate the will of Congress.

Mr. HAWKINS. I think some of us have learned from experience that we can get all we want in a specific instance for our own areas, but also it has some appeal to other areas. We either don't get the bill through or we don't get it fully funded. I have had unfortunate experiences and that is why I guess I am a little liberal with the target issues, not because it helps; but in the final analysis if you don't have some appeal to Members who don't have the same type of constituency I have, then you don't get there.

Anyway, we are dealing with it from that view. I hope you understand the position we are in, in trying to sponsor a bill and make it appealing to the 435 Members. I am not asking you to go into politics.

Mr. KLEIN. What we have suggested, in using the BLS lower living standard budget, we view as a gentle balance between the two extremes of using economically disadvantaged and no definition at all.

Mr. HAWKINS. Again, may I thank you, Mr. Klein and Mr. Weintraub, for an excellent presentation.

Mr. Weiss.

Mr. WEISS. On page 2 of your statement you refer to your concern about the lack of clarity in the residential versus nonresidential aspect of the program. Again, you are talking about part A of the legislation now?

Mr. KLEIN. Yes.

Mr. WEISS. Have you had experience in the Suffolk area or are you really saying that the locality or the kids who are vying for the program themselves, ought to have an option in determining whether they want to stay locally in a nonresidential program or to go some place out in a residential program?

Mr. KLEIN. Yes; I think we ought to have the flexibility. We are, in Suffolk County, very much into an evaluation of a residential program, although we do not have the authority to conduct one as yet. But we would like to have that clarified, that the option exists.

Mr. WEISS. Would you then have it as a mandatory direction by the local authorities or would you do it on the basis of a certain percentage of positions open, with the kids making the choice themselves?

Mr. KLEIN. It would be the latter case.

Mr. WEISS. This is the last question. I am not sure I really understand why you are talking about an 80-20 breakdown of the discretionary parts of part C rather than the 50-50 aspect that is written into it.

Mr. KLEIN. We think that prime sponsors, for example, under CETA and the local government generally have a pretty good track record of perceiving the best application and utilization of funds at the local level, from the local perspective. That kind of allocation would permit that continued local perception and local application based upon local needs, rather than the determination at a Federal level which may not be as accurate a perception of needs.

Mr. **Weiss.** Thank you very much. Thank you, Mr. Chairman.

Mr. **Hawkins.** Mr. Klein, your reputation for remaining anonymously political is still intact. Thank you very much.

Mr. **Klein.** Thank you all very much.

Mr. **Hawkins.** The next witness is Mr. Kenneth Young, associate director, AFL-CIO, accompanied by Mr. Robert McGlotten, legislative representative, AFL-CIO, Washington, D.C.

Mr. Young and Mr. McGlotten, we welcome you as familiar friends before the committee. We will forego the usual remarks that we make with respect to your presentation. But it is a pleasure to have you. Your statement in its entirety will be entered in the record at this point.

[The prepared statement is as follows:]

STATEMENT OF KENNETH YOUNG, ASSOCIATE DIRECTOR, AND ROBERT McGLOTTEN, LEGISLATIVE REPRESENTATIVE, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR ON H.R. 6138, YOUTH EMPLOYMENT AND TRAINING ACT OF 1977

April 21, 1977

The AFL-CIO welcomes the Carter Administration's proposal for H.R. 6138, the Youth Employment and Training Act of 1977. It is a step forward in dealing with the unmet needs of America's young people.

The AFL-CIO's support of H.R. 6138 is in recognition that there is a youth unemployment problem that needs to be addressed. Mr. Chairman, we supported the recommendations of your subcommittee for a simple extension of CETA. We hope that this will be an additional title to CETA so its authority will expire when the regular CETA program terminates. We feel that this would give the Administration and your committee an opportunity to develop a comprehensive manpower approach that addresses itself to a full employment economy.

Such a program would deal with both structurally and cyclically unemployed persons. It should address itself to retraining and upgrading both in the public and private sectors. It must be a program that has as its purpose the basic fundamental ingredient that human resources are America's prize possession, that talents should be developed and not wasted. The legislation before this committee addresses itself to only one aspect of the total problem and unless we develop a full manpower policy aimed at full employment, we always will be legislating on a piece-meal basis.

Persistent high unemployment among America's young people is one of the most serious aspects of the nation's economic and social life. It is a major component of the overall serious unemployment situation in the U.S.A.

One out of five teenagers - including one out of three black teenagers - is jobless. For these young people, frustration and enforced idleness often lead to anti-social activity, to delinquency and despair.

For our society and our economy, high unemployment for young people as well as for adult workers is a costly waste of valuable human resources. Without in any way minimizing the employment and training needs of adult workers, it is important to note that adequate job creation and job training for all America's young people are essential for a constructive beginning to adult worklife.

In March 1977, teenagers in the labor force -- 16 to 19 years old -- numbered a little more than 9 million -- and the official count of jobless teenagers was about 1.7 million. In addition, according to the Joint Economic Committee, there are at least 350,000 young people who would have been looking for work if jobs had been available. These "discouraged" teenagers have dropped out of the labor force and were not counted in the official unemployment statistics.

Black teenagers officially counted in the civilian labor force number about 765,000 -- and the official count for out-of-work black teenagers is about 350,000. The low labor force participation rates for black teenagers suggest that even these horrendous figures understate black teenage unemployment because of the widespread "hidden" or "discouraged worker" joblessness of those who give up looking for non-existent jobs.

Thus, in February 1977, the participation rate for black teenage males was 35 percent when the rate for white teenage males was 57 percent. The participation rate for black teenage females was 26 percent when the rate for white teenage females was 50 percent.

Unemployment among teenagers is in part a problem of demography, the "baby boom" of the 1950s and 1960s. This aspect of the problem may diminish as teenagers become a smaller part of the population and the labor force. According to Bureau of Labor Statistics projections, in the 1980s the teenage labor force will actually drop. As a result, teenagers will make up only 6.7 percent of the 1990 labor force -- down sharply from the 9.5 percent teenage share in 1975.

Also there are a variety of economic and social factors behind the persistent high unemployment rates for young people. Two major recessions within the past 10 years followed by weak and inadequate recovery periods have diminished job opportunities for all workers including young workers. Residence in depressed inner cities diminishes job opportunities. Changing technology and industry structure and location frequently diminishes job opportunities, especially for less experienced and less skilled youths. Poor education, lack of work experience and skills, and lack of knowledgeable counseling often diminish the ability of young people to find jobs.

Thus, the youth unemployment problem persists, even in good times, and is aggravated in bad times. Economic recovery alone will not solve this problem. In the post-World War II years, the unemployment rate for teenagers has consistently ranged from 2½ to 3½ times the national unemployment rate.

The AFL-CIO has long been concerned about the special needs of young people for employment and training, as well as for good educational opportunities. In the field of education, the AFL-CIO continues to press for adequate federal, state and local expenditures to insure the health of American education at all levels from elementary schools to post-secondary schools. Likewise the AFL-CIO continues its support of the Vocational Education Act with substantially increased funding and with maintenance of special programs established under the Act.

The AFL-CIO Executive Council recently declared the continuing concern of the labor movement for adequate training and job opportunities for youth. The AFL-CIO called for a significant increase in the nation's programs of training and employment for youth -- with an immediate $2 billion expansion of these programs, particularly those oriented toward skill training and development of good work habits.

The AFL-CIO also pointed out that training and employment programs for young people must not result in job loss or impaired opportunities for adult workers. Schemes that transfer job opportunities from adults to youths are not a solution to the unemployment problems of either youths or adults. We believe youth programs should address structural problems to training and employability.

In the recent AFL-CIO Executive Council statement -- which we have attached to this statement -- we pointed out that union-initiated and union-operated training and apprenticeship programs in new occupational fields can help young people gain marketable skills in line with future job openings. Many AFL-CIO unions are already engaged in such programs directly or in cooperation with the AFL-CIO Human Resources Development Institute.

We find the Carter Administration's proposed "Youth Employment and Training Act of 1977" in line with the concerns of the AFL-CIO and we support this proposal. It is not as ambitious as we hoped and it is spread over a longer period, 18 months, than our one-year, $2 billion proposal. Nevertheless, it is a step in the right direction.

The Administration proposal calls for spending $1.5 billion over an 18 month period to provide 203,000 jobs in three programs under a new Title VIII of the Comprehensive Employment and Training Act.

First is the National Young Adult Conservation Corp which will have 35,000 jobs at a cost of $350 million in conservation projects and in maintenance and improvement of public parks, forests, and recreation areas. Youths in this program will get at least the federal minimum wage.

Second is the Youth Community Conservation and Improvement Program which will have 30,000 jobs at a cost of $250 million in local neighborhood improvement projects and natural resource restoration on publicly owned lands.

Third is the Comprehensive Youth Employment and Training Programs section of Title VIII. This program will provide 138,000 jobs at a cost of $900 million. It will be administered primarily by CETA prime sponsors and will supplement existing programs and activities for youth now carried out by prime sponsors.

We note that these three programs are aimed primarily at young Americans aged 16 through 21 years, with a proviso that younger and older youths may be enrolled subject to regulations to be issued by the Secretary of Labor. While there is obvious overlapping of these youths' employment and training needs with those of the 14 and 15-year-olds and the 22 and 23-year-olds, the most serious and urgent needs are those of the 16-to-19 group.

Mr. Chairman we have a few specific recommendations.

We fully support §803(B)(1)(A) and strongly suggest that language be incorporated to insure that youths participating in the corps be prohibited from dropping out of school while maintaining enrollement in the corps.

In §814 and 815 we applaud the concept of using appropriate and adequately trained supervisory personnel. We hope the report will give guidance to the Secretary in urging the use of unemployed skilled craftmen, public sector employees, teachers and teachers aides when filling those supervisory positions.

In §815 and 852 we suggest that the Secretary, when writing regulations concerning the awarding of academic credits, shall consult with state and/or local education agencies, whichever has the authority over accreditation, to insure coordination with ongoing academic programs.

Sec. 835(a)(3) limits eligibility for actual training to members of low income families. While we are not opposed to this emphasis, we believe that the family income level has been set too low. This section sets the family income at 70% of the lower living standard income level. The latest figure for the lower living standard is $9,588 (Autumn 1975). To take 70% of that figure, or $6,711, would be too stringent a test for eligibility. This would amount to earnings of only $3.23 an hour and would exclude too many children of full-time year-round workers. Therefore, we propose removing the 70% criteria and using just the lower living standard ($9,588) as the appropriate criteria. For a full-time worker, this would amount to $4.61 an hour, and still be well below private industry nonsupervisory average hourly earnings of $5.12 (March 1977).

We particularly support the labor protection provisions of §851. This section assures that due consideration will be given to all Title VIII activities to make sure that there will be no displacement of currently employed workers, no impairment of existing contracts, no substitution or replacement of workers on layoff, no infringement on promotion opportunities for currently employed workers and fair rates of pay, and that there will be consultation with labor organizations representing workers engaged in similar work to that which is proposed to be performed by youths enrolled in these Title VIII programs.

Mr. Chairman, the success of H.R. 6138 will be ultimately determined by its ability to provide employment opportunities for youth once that individual can gain the type of work experience and opportunity for useful training to compete in the world of work. This should not be a program to replace or substitute regular workers.

The program should be closely monitored by the Labor Department to ascertain the kinds of projects in which youth can be involved, and the useful experiences gained under this program should then be translated into permanent legislation.

This nation is faced with a severe crisis in trying to determine new areas of employment. If this committee reviews recent statistics it is clear that the increase in jobs on non-agricultural payrolls are in service areas (wholesale and retail trades, services, and the public sector). We are losing manufacturing jobs as well as transportation, utilities, and construction jobs at an alarming rate. Unfortunately, the main employment increases are in low-skilled, low-wage areas. At the current rate of decline in the better paying and better skilled jobs, the youth of today who have little or no education will find it extremely difficult to secure decent employment.

It is the AFL-CIO's hope that once Congress has enacted this measure for youth, this committee will proceed to develop a manpower policy that will address itself to the structural and cyclical unemployment problems that persist in haunting far too many Americans of all ages.

Statement by the AFL-CIO Executive Council

on

Training and Jobs for Youth

February 28, 1977
Bal Harbour, Fla.

Youth unemployment is a serious part of the total unemployment picture. Official statistics indicate that one out of every five teenagers and one of every three black teenagers is jobless. High unemployment for young Americans wastes human resources, breeds frustration and often leads to anti-social activity. Adequate job creation and training for all youth is essential for a constructive beginning to adult worklife.

It is necessary, therefore, to significantly increase the nation's programs of training and employment for youth. The AFL-CIO reiterates its call for an immediate $2 billion expansion of such youth programs, particularly those oriented toward skill training and the development of good work habits. A number of existing programs can be increased substantially.

The Job Corps once enrolled twice the current level of young men and women -- about 40,000 a year -- with the average training period lasting about six months. The Job Corps currently includes 27 Civilian Conservation Centers in national parks and forests. These could be significantly expanded to meet the nation's conservation needs.

In 1976 summer youth programs provided jobs for about 875,000 young people. But many more summer jobs are needed.

The old Neighborhood Youth Corps programs providing jobs and training for youths aged 16 to 21 helped keep many young people in school at least through high school graduation. NYC programs now conducted under the Comprehensive Employment and Training Act (CETA) should be expanded and new NYC programs started. Other existing CETA national and local youth programs should be coordinated and expanded.

Training and employment programs for young people must not result in job loss or impaired opportunities for adult workers. Schemes that transfer job opportunities from adults to youths are not a solution to the unemployment problems of either youths or adults. Youth programs should address structural problems of training and employability.

Training and Jobs for Youth

Renewed attention and emplhasis must also be given to private youth training efforts by labor and management. Job training and apprenticeship in new occupational fields can open up new employment opportunities for young people.

Union-initiated and union-operated training and apprenticeship programs in these new fields can make an important contribution by helping young people gain marketable job skills in line with future job openings. Many AFL-CIO unions are already engaged in such programs directly or in cooperation with the Human Resources Development Institute. We urge all affiliates to consider initiating and expanding such worthwhile programs.

We will work with the Secretary of Labor to seek new programs to help solve the structural unemployment problems of young people. American needs to develop new practical programs, including expanded apprenticeship training, that can be put into operation quickly.

With a minimum $2 billion expansion in these and other training-oriented public and private job programs for young people, the nation will begin to meet the special employment problems of America's youth.

STATEMENT OF KENNETH YOUNG, ASSOCIATE DIRECTOR, ACCOMPANIED BY ROBERT McGLOTTEN, LEGISLATIVE REPRESENTATIVE; AND MARK ROBERTS, ECONOMIST, RESEARCH DEPARTMENT, AFL-CIO

Mr. HAWKINS. Mr. Young, you may proceed. Do you have an associate that you might also introduce?

Mr. YOUNG. Thank you, Mr. Chairman. With us today we have Dr. Mark Roberts, who is an economist for the AFL-CIO Research Department.

Mr. HAWKINS. We welcome you, Mr. Roberts.

Mr. YOUNG. Mr. Chairman, we recognize that you have a large number of witnesses, and since you have put our statement into the record, if I could, I think we are all familiar with the problem of youth unemployment, so I would like to skip over to page five and discuss the specific recommendations that we have made.

As we show in our statement, we are supportive of H.R. 6138, the Youth Employment and Training Act of 1977. Turning to specifics, we fully support section 803(B)(1)(A) and strongly suggest that language be incorporated to insure that youths participating in the corps be prohibited from dropping out of school while maintaining enrollment in the corps.

In sections 814 and 815, we applaud the concept of using appropriate and adequately trained supervisory personnel. We hope the report will give guidance to the Secretary in urging the use of unemployed skilled craftsmen, public sector employees, teachers and teachers aides when filling those supervisory positions.

In sections 815 and 852, we suggest that the Secretary, when writing regulations concerning the awarding of academic credits, shall consult with State and/or local education agencies, whichever has the authority over accreditation, to insure coordination with ongoing academic programs.

Section 835(a)(3) limits eligibility for actual training to members of low income families. While we are not opposed to this emphasis, we believe that the family income level has been set too low. This section sets the family income at 70 percent of the lower living standard income level. The latest figure for the lower living standard is $9,588. That is the autumn of 1975.

To take 70 percent of that figure, or $6,711, would be too stringent a test for eligibility. This would amount to earnings of only $3.23 an hour and would exclude too many children of full-time year-round workers. Therefore, we propose removing the 70 percent criteria and using just the lower living standard, $9.588, as the appropriate criteria. For a full-time worker, this would amount to $4.61 an hour, and still be well below private industry nonsupervisory average hourly earnings of $5.12, as of this March.

We particularly support the labor protection provisions of section 851. This section assures that due consideration will be given to all title VIII activities to make sure that there will be no displacement of currently employed workers, no impairment of existing contracts, no substitution or replacement of workers on layoff, no infringement on promotion opportunities for currently employed workers and fair rates of pay, and that there will be consultation with labor organizations representing workers engaged in similar work to that which is proposed to be performed by youths employed in these title VIII programs.

Mr. Chairman, the success of H.R. 6138 will be ultimately determined by that legislation's ability to provide employment opportunities for youth once that individual can gain the type of work experience and opportunity for useful training to compete in the world of work. This should not be a program to replace, or substitute regular workers.

The program should be closely monitored by the Labor Department to ascertain the kinds of projects in which youth can be involved, and the useful experiences gained under this program should then be translated into permanent legislation.

This Nation is faced with a severe crisis in trying to determine new areas of employment. If this committee reviews recent statistics, it is clear that the increase in jobs on non-agricultural payrolls are in service areas (wholesale and retail trades, services, and the public sector).

We are losing manufacturing jobs as well as transportation, utilities, and construction jobs at an alarming rate. Unfortunately, the main employment increases are in low-skilled, low-wage areas. At the current rate of decline in the better and better skilled jobs, the youth of today who have little or no education will find it extremely difficult to secure decent employment.

It is the AFL–CIO's hope that once Congress has enacted this measure for youth, this committee will proceed to develop a manpower policy that will address itself to the structural and cyclical unemployment problems that persist in haunting far too many Americans of all ages.

Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you.

With respect to section 851, which you referred to in your statement, pertaining to Davis-Bacon, I suppose you heard the previous testimony with respect to Davis-Bacon in reference also to the ages 14 and 15. I am wondering whether or not you wish to make some comments with respect to the application of Davis-Bacon, and also the inclusion of age 14 and 15 at rates of pay at the minimum or above the minimum?

Mr. YOUNG. Yes, we would, Mr. Chairman. Taking the proposed subminimum of Congressman Sarasin's bill, we are in total disagreement, as you know, and traditionally have been opposed to a subminimum wage for youth.

Mr. HAWKINS. Will you repeat that, please?

Mr. YOUNG. I was saying, Congressman, that we have traditionally opposed the subminimum wage for youth at any age level. We think it is economically wrong and we think it does provide incentives in the private sector for displacement. Because most of these jobs are low-skill low-wage jobs, little training is really necessary. The youth that it brings in replaces an older worker; there is no real way of stopping that. What often happens is you either have a minority worker or a woman worker, or an unskilled worker, who finds her-self out on the street because the employer has brought in a youth. So you have no added employment and we think no real benefit.

Turning to Davis-Bacon for a minute, Mr. Chairman, Mr. McGlotten spent a great deal of time working with people from the administration, representatives of the Labor Department, including the Assistant Secretary for ETA, and people in the building trades, in trying to reach an agreement on what we really were seeking in this legislation. I would like him to discuss that matter.

Mr. McGLOTTEN. Mr. Chairman, for a period of 2 months prior to the announcement of this legislation, a series of meetings were held to deal with the Davis-Bacon question. Davis-Bacon now applies in the law, since 1939, to all projects dealing with construction, starting at $2,000. The floor presently is $2,000 in the law today. Any construction project by the public or private sector, $2,000 is subject to Davis-Bacon determination. Once that determination is reached, then a prevailing rate of pay is set, depending on the prevailing rate of pay in the area for similar kinds of occupations.

What we attempted, in order to not make it restrictive as far as youth who may be working in some of those occupations, is to have the building trades agreed to raise that to $5,000, which is 150 percent above what the present law is so that youths would have an opportunity to work on Davis-Bacon projects, and give the Secretary of Labor the opportunity to set rates on projects less than $5,000.00.

In addition to that, the building trades president, Mr. Georgine, let it be known to the Labor Department that if there were projects over $5,000 where agreements would be reached with local building trades, that the Labor Department should enter into an agreement to do so. But the $5,000 is a protection.

I may remind the committee, it certainly is an improvement over the $2,000 limit. It is 150 percent increase.

Mr. SARASIN. May I ask, Mr. Chairman, if I might, you are talking then about contracts awarded only with union labor?

Mr. McGLOTTEN. That is not necessarily so, Mr. Sarasin. Davis-Bacon rates would be applied if you ask for a determination whether you are union or nonunion. In other words, in Oklahoma where the rate for a particular carpenter may be $6 an hour, that is the prevailing wage rate, union and nonunion.

Mr. SARASIN. What I understood you to say is the union can make those adjustments with the labor and another private contractor that may be out there offering the same type of service, and he can adjust his rates, or have I misunderstood you?

Mr. McGLOTTEN. You haven't misunderstood me at all.

Mr. SARASIN. I find it very strange. What you are saying then is the unions are willing to make some adjustments, but if the municipalities or whoever is putting out the work intends to deal with a private contractor, he must strictly adhere to the $2,000 limit?

Mr. McGLOTTEN. No, the $5,000 becomes prevailing rate.

Mr. SARASIN. There is a question, too, and that is is that $5,000 realistic, that it should be $10,000 or $15,000?

Mr. McGLOTTEN. This is not the legislation to deal with the Davis-Bacon provision.

Mr. YOUNG. There are efforts to get the amount up to $15,000 or $20,000 or more. Those efforts, as you know, have been resisted by the labor movement. We have been saying let's go up for one specific area, but not be wide open. Otherwise, some would say we have already agreed to go up to $15,000 or whatever the figure is. What we are trying to do is say let's set up some project, let's see whether we can work out an arrangement with people back in the areas and use the national building trades and international unions to get some flexibility, some rate, so we can have the unemployed youth working on projects.

One of the things that obviously concerns us is that if we don't have something like this, then with the heavy unemployed rate in skilled trades, this is going to be a real incentive to put youth on jobs while the skilled worker is sitting on the street. How does anybody explain this is the public policy?

Mr. SARASIN. If I may continue, Mr. Chairman, we have conflicting situations. One, a limited amount of dollars that are attempted to be used to hire youth, and hopefully train them to some extent, and the desire to get the biggest bang for the buck with those funds without conflicting with the Davis-Bacon provisions which are designed to be fair, and there isn't an undercutting of wages. Somewhere there has to be an adjustment and a balance if we are going to truly meet the need.

Mr. YOUNG. Part of that is in the type of jobs, if I can interrupt you, where we have worked out arrangements.

Mr. McGLOTTEN. Congressman, there have been many cases where we have been able to work out a plan of rehabilitation on the project, certain kinds of projects of that size—we have stuff in Philadelphia, Chicago, and Los Angeles, where we have gone and talked to the various building trades unions to be a little more flexible as it relates to Davis-Bacon, where rates are paid somewhere between the starting apprenticeship rates and the minimum rate, and in many cases, the journeymen rate is 85 percent as opposed to 100 percent.

Getting to Mr. Young's statement, it depends on the kind of work you are talking about, a young person to displace an unemployed skilled worker. If you are talking about attitudes toward the youth program—for example, a painter sitting on the bench seeing a young person painting a building which he formerly painted last year. Doesn't do anyone any good.

Mr. SARASIN. Are we not perhaps addressing the problem from the wrong direction? Should we be trying to provide this kind of employment for young people? Should we be trying to provide something else that doesn't concern that, as far as the building trades are concerned?

Mr. YOUNG. I think really that points to the basic problems we have in this whole area. Everybody recognizes the structural problem with youth unemployment. I think it is fair to say everybody wants to do something about it. What we haven't come up with, as a society or a country, is the types of jobs that are available, that are open. We are talking in effect of moving youth into present jobs and in some areas where there is heavy unemployment. There are some people that I have discussed this problem with and they say, well, that is the way it is. So what we ought to do is have, in effect, 30 percent or some number set aside, the youth are entitled to that many jobs, not necessarily add-on jobs. We disagree with that philosophy.

We think there are a number of types of jobs that can be found under the project approach, work that can be done, where youth can be gainfully employed and get work experience, can get training, and can get a start. That is what we would like to do.

We are very concerned in terms of representing our constituency, that youth are not simply used as a way of undercutting present workers close to layoff or on layoff, and undercutting their benefits.

Mr. SARASIN. Have you had an opportunity to review H.R. 6044, the Youth Incentives Act?

Mr. YOUNG. Yes; we have.

Mr. SARASIN. Did you have any comments on that?

Mr. YOUNG. For one thing, we don't like wage subsidies for the private for profit sector. We basically disagree with that as a way of stimulating the economy, as we have had many times. We don't like the idea of a subminimum rate for the 14 and 15 year olds. We also have some problems I think with the lack of real guidance and protection in terms of what sort of jobs are to be developed under the bill in the private, nonprofit sector.

Mr. SARASIN. I don't want to take everyone else's time. Thank you, Mr. Chairman.

Mr. HAWKINS. Mr. Beard.

Mr. BEARD. Mr. Young, I think the picture the AFL-CIO is loud and clear on is the protection of the jobs and I think too it is a protection that the private sector and the government sector won't take advantage of. I think that is what you are saying—OK, already this guy is laid off and we will slide this kid into this job. The chance of getting people back to work, the everyday worker, would be cut back.

Mr. YOUNG. That is correct.

Mr. BEARD. I think that is your concern as a representative of the AFL-CIO, that this tends to be a replacement for those that are in the trades that are currently out of work.

Mr. YOUNG. If I could, let me go slightly back into history. We, more strongly than most organizations, supported the Emergency Employment Act which then led to CETA. And we have always believed in the concept of the Federal Government using funds for job creation.

When CETA was developed, and in fact when the Emergency Employment Act was developed, no one ever thought of the jobs as being substitution jobs. The jobs always were considered add-ons, I think primarily because in those times the public sector was the most secure job sector. People never thought of layoffs in the public sector.

You always heard if you go into the public sector, you may make it, you may not like it as much but you are not as liable to get laid off. You have security. This all changed. The municipalities, whether they were cities, States, or counties, in many cases because of loss in revenue, started reducing their public sector employment. At that point, CETA became used or could be used and in some cases was used as a substitution of Federal funds for regular funds. You had a revolving door, and you had no add-on jobs. We bow to no one in our point of finding jobs for youth and in doing something about the structural problem of youth unemployment.

What we are saying is we want to make sure those are additional jobs and not go back into a substitution route. That doesn't make sense.

Mr. **Beard**. I think the thrust of the program is excellent. In the intent of the legislation I think also we have the same concerns. I know I would in my support of this legislation make sure this doesn't turn around in some cases with CETA. In my own State, CETA jobs have turned out to be manipulated to become permanent jobs to replace other people who have been long-standing workers because of the way it is handled many times.

I think your concern, and I think that would be clearly the concern of this committee, is to make sure the programs would not put someone out of work to get someone into work, a young person. I think that has to be. But it is going to have to have strict regulation and a watchful eye of the agencies that are responsible for these programs, to make sure that doesn't happen.

Mr. **Young**. Yes; I agree.

Mr. **Beard**. Thank you, Mr. Chairman.

Mr. **Hawkins**. Mr. Le Fante.

Mr. **Le Fante**. Mr. Young, I am sorry I missed most of your testimony but we were tied up with Chairman Perkins in another committee meeting. Could you make specific reference to the comparison of the trades and skills that are unemployed nationally versus the youth unemployment?

Mr. **Young**. No; I don't think we can, Congressman. It is my understanding, and Mark, you can correct me, the construction trade is around 15 percent unemployed. Of course, it depends on what——

Mr. **Le Fante**. It is running more like 40 percent in my district.

Mr. **Young**. I am talking nationally. Of course, in some areas, depending on the craft, it is as high as 60 percent. The city of Chicago, the carpenters have 60 percent unemployment.

Mr. **Le Fante**. What is the national figure for youth?

Mr. **Young**. At which age, 16 to 24?

Mr. **Roberts**. For the teenagers, it is 18 percent. When you include the youth up to say, 22 or 23, then it comes down to about 12 percent.

Mr. **Young**. Of course, minority unemployment in the big cities is more horrendous. They are all horrendous.

Mr. **Le Fante**. What we are concerned about here is to make sure some of the trained and skilled individuals are not left on the unemployment rolls when we pick up some of our youth to get the work done, is that correct?

Mr. **Young**. I think that is true. What do you do in a major city, for example, in your city? You have a skilled worker and for the sake of discussion I don't think it makes any difference whether he is organized or unorganized, on layoff. He cannot find a job in his skill. Maybe he is 35 or 40 years old and just can't find any work. Suddenly he discovers public funds are coming in and his son or daughter can get work. I think that is a social problem in that home. We are not against again trying to find a way to help this youth problem. My understanding is there are 3.4 million youth unemployed between the ages of 16 and 24. Half of those are between the ages of 16 and 19. We can't afford to have a society that is going to go ahead where there is no way of finding work for these youth. There is no training for these youth, there is no hope for these youth. We don't want to be a part of that.

All we are saying is let's make sure there are new jobs. Let's find a way that adds to the employment rolls and does not move in and take someone else's work.

Mr. Le Fante. Are you saying in your analysis of the legislation that is before us that the safeguards are not there?

Mr. Young. No; we think the safeguards are there.

Mr. Le Fante. Thank you, Mr. Chairman.

Mr. Hawkins. Mr. Weiss.

Mr. Weiss. Thank you, Mr. Chairman.

Mr. McGlotten, you have made reference in response to one of the questions that Mr. Sarasin asked about the way the situation was resolved in relation to a corporation. Could you expand on that just a bit? How far above the minimum were they, for example? How far above Davis-Bacon were they?

Mr. McGlotten. Actually it depended on the craft. This was about 4 years ago, if my memory serves me right. I think electricians started out at $4.60 and those wages averaged $3.60 an hour for trainees. There are four classifications of journeymen in New York and the residential journeymen, I think they are classified as making about $2 less than the industrial electricians.

Mr. Weiss. On the other side of the coin of concern, it seems to me if you have the prevailing wage rate situation, you are going to find the prime sponsors in the localities obviously trying to fill as many positions as possible out of money that are made available to them and that you won't have the problem of the prevailing wage rate at all because they are simply going to average out how many jobs can be created at the minimum level, and say, we can't agree to give the young people that need jobs, and put them into certain kinds of positions; that is something we don't want to accomplish, either.

That closes the door on some of the meaningful, open-ended job positions. Isn't that a real concern? Isn't that why we have people like Mayor Gibson and Mr. Klein here to testify? It was suggested that the minimum wage law not apply there. They are progressive executives of localities who are concerned about what you do, and stifling and entering certain fields, and stifling the number of positions. Should not that also be taken into consideration?

Mr. McGlotten. Mr. Weiss, I understand exactly what Mr. Klein and Mayor Gibson are saying: They want the biggest bang for the bucks coming into their communities. I understand that, but there are other social implications. There is no difference between a youth working on a job that was formerly held by a carpenter, and there is no difference between the price of milk for an adult and the price of milk for youth in terms of anything that they want to purchase.

What we are saying is that one of the ways to deal with this kind of problem is not to have a separate wage rate because, if you have a separate wage rate, then you are going to have separate kinds of conditions and they are not going to be the kinds of conditions you or any of us would not want our youngsters to work under.

I think the whole argument of why you have separate wage rates for youth are totally ridiculous—no more than you should have a separate wage for females, blacks, Chicanos or Indians. A job is a job. When we find people that are trained and performing that particular skill, they should be paid the comparable rate and not less than the minimum wage.

Mr. WEISS. That would be a perfect expression of my sentiments if you have unlimited amounts of money to meet all the needs we have in our society. The reason we are having this debate at all is we know the size of the pie that we are going to be providing, with the best of circumstances, that will perhaps meet somewhere between 8 and 10 percent of the needs that are out there. So it is not a matter of having it all available, it is a question, like Mayor Gibson was talking about, getting the biggest bang for the buck. He is looking to the unemployed young people we have in our communities.

Mr. YOUNG. Mayor Gibson also has high unemployment rates among adults. I think it goes to what the mayor is saying. I understand what the counties are saying because they do want the biggest bang for the buck. What we are saying is, now we have a two-layer and possibly a three-layer system. We have work being performed by regular county workers or municipalities workers. You then have workers who are doing the exact same work at the same rates of pay, CETA employees. That is a different layer. The average worker could not conceivably comprehend what this is about.

Now, there is a possibility of a third layer which would be the youth layer. Some people are suggesting that the rates of pay be different, and yet it would be the same work. Municipalities are going to get Federal funds from CETA, from a youth bill. Funds are going to be coming in.

What happened in terms of the present work force? There is a reduced work force. They have been laid off. There is no incentive, not because the mayor or the county officials are evil, but there is no incentive to bring in the laid-off worker and bring him back. He has *x* number of dollars to use, so if there is any incentive it is probably the incentive to use part A of the youth bill, because the pay rate is the lowest.

We are concerned about that. I guess I can't really answer what you are saying, Congressman, because we are in this bind of saying there is only a small amount of money to be used. Far be it for me to make a plug for the Humphrey-Hawkins bill!

Mr. SARASIN. I can't imagine that.

Mr. WEISS. There would be no objection on this side of the table.

Mr. HAWKINS. That is the real solution.

Mr. YOUNG. As you all know, we are in total agreement with the Humphrey-Hawkins bill. We are faced with this bind where there is no planning at a national level. Everything is done on a piecemeal basis. Then we sit here and someone such as yourself says, we have *x* amount of dollars and we have these terrible problems.

As I look at the funds provided in the administration's bill—and we, of course, suggested more funds—if you talk about just the ages 16 to 19 can use these funds, you are only dealing with 12 percent of the problem, which is really nothing. But we are being told we have these terrible deficits, we have these restrictions, so we can only take a little part. Where are we going to go?

We would like to go the whole route and make it all part of some comprehensive program; but, if we are forced to do it on a piecemeal basis, we don't think it makes sense to take jobs away from the regular work force.

Mr. HAWKINS. If the gentleman would yield, please.

Mr. WEISS. I yield to the Chairman.

Mr. HAWKINS. Mr. Young, I think the problem is somewhat complicated by the fact that we have not in a sense determined what is it that you can do without getting into the type of project that Davis-Bacon applies to. What are some of the constructive, productive, or socially desirable activities that are not being performed by skilled workers under the Davis-Bacon concept that youth can do without using this proposal, a new act or undercut Davis-Bacon? These are some of the things we are not clear on, what you will be doing.

Seventy-five thousand is not a big project.

Mr. YOUNG. The only place we get into the Davis-Bacon concept really is construction, rehabilitation, and repair, so you——

Mr. HAWKINS. We don't have to have a project of that nature. In other words, to avoid projects of that nature then local sponsors are going to have to come up with projects that do not involve that type of building or that type of construction work to which Davis-Bacon would apply. Are there any other activities of a social nature, not necessarily construction?

Everybody has an idea if you are not constructing a building or something tangible, that people are not performing anything that is socially desirable. Caring for the elderly person or performing something along that line is considered to be somewhat outside that sphere. What is productive?

We have to get away from something more than merely producing some manufactured product. So it seems to me that we should come in with some suggestions that we expect the type of project to include in terms of the activity so as to clarify the issue to avoid the criticism that we simply want these young people doing meaningless work on the one hand and the type of work on the other hand that would interfere with the Davis-Bacon concept. I don't know what the administration has come up with.

You have been in negotiations with the administration. This committee has not. Perhaps you have.

Mr. MCGLOTTEN. We have not had too many.

Mr. YOUNG. Our meetings have not been all that successful. I think the answer is there are many, many types of jobs other than Davis-Bacon type jobs, dealing with social services and meeting unmet needs.

All we are saying I think is if there are to be any jobs in the so-called Davis-Bacon covered area, then we seek protection. I think there is going to be an increasing need for—and I will just cite an example—workers in day care centers. That is not Davis-Bacon.

Mr. HAWKINS. In other words, you are saying that it is the responsibility of the administration to have such activity which will avoid that problem, rather than getting into the displacement of persons under other programs in order to solve this problem?

Mr. YOUNG. I think there are many areas, again in the area of service primarily, that are growing in this country. These are clearly not Davis-Bacon areas. They are the places that I think most of these jobs should go. We said we were perfectly willing to have language that did not say: "No project shall be in a Davis-Bacon area," but we did say that if you are going to do work in that area we want some protection against undercutting rates.

I think I would even make the argument, given the present situation in this country, absent the question of rates in Davis-Bacon, we should look carefully at the number of our youths that are being trained into the types of construction jobs where the jobs are not available anyway. That does not make a great deal of sense.

Mr. **Hawkins**. Mr. Sarasin.

Mr. **Sarasin**. We seem to be somewhat hung up on categories and rules and regulations. We tend to be a little idealistic once in a while, not very often. One of the things I would envision in a rehabilitation project in the inner city with journeymen, and tradesmen, and a bunch of kids running around there—they are very quick, they are learning a little bit. They know which end of the hammer to hold. They may be working after school 20 hours a week in sort of a mixture of everything.

My feeling is that if you say no, you can't put the kids in with a young differential, some kind of apprentice wage, you have the protection. The money is going to be applied to those. You have not allowed the craftsmen on the job. The funds are there to put that job in place.

What is so wrong if we have so much money we could put a few journeymen on the job that we would not have otherwise, and have gotten these kids involved in the process? I see that as a possibility if the prime sponsors had some flexibility and if we were not hung up on the categories and the laws. I think we would be putting more craftsmen to work under that concept.

Mr. **McGlotten**. Your concept is something we would hope would happen with the prime sponsors. When we talk about protecting ourselves, we don't want the prime sponsor building or remodeling over and above $5,000 without talking to our people about it.

Mr. **Sarasin**. If they will not be able to do anything, you have denied the community to get the type of work done and you have denied the kids a work experience.

Mr. **Young**. You have two things, Congressman. There are many of those types of projects going on now that are not paying the Davis-Bacon rates and they are worked out by agreement. They are community improvement projects. Second, we look at part B as being capable of doing that sort of operation.

What we are saying is we don't want the prime sponsors, all by themselves, determining that we are not going to do this or that and say, well, we might have to take a look at the budget for a couple of years. Now we can do it purely with Federal funds, so let's do it that way. We want to have the Labor Department take a close look at that. We would like to see whether this is really community improvement or is this just a way of taking care of budgetary problems.

In terms of youth in school, as you know, if you are talking about 20 hours a week, you now have a provision under the minimum wage law where you pay 85 percent of the minimum wage. The student can work full time in the summer and full time in the holidays for 85 percent. We had not opposed that.

What we are saying is we don't want a blank check out there.

Mr. Sarasin. You are not allowing the kind of mix we are talking about, either.

Mr. Young. We think what Mr. McGlotten discussed with the Labor Department, with Secretary Green and with the administration people, that is exactly what we are going to try to get. Mr. Georgine, the president of the Building Trades, gave assurances he was going to work on that and did want to get to a degree of flexibility where this sort of thing would be done and where unemployed craftsmen could help in terms of supervisory work and in teaching skills. A lot of that is going on in this country right now.

Mr. Sarasin. You raise the point of trading jobs for jobs. That is a concern. We are also concerned about skills for showing up for work on time. They are learning a good deal in the process, not just job skills, that they may be able to apply. I am not talking about career opportunities. I am really talking about something that is relatively productive and, at the same time, provides a job for a disadvantaged child. It would seem to me that that is where we ought to be coming from.

Mr. Young. That is where we think we are coming from, too. We just don't want someone out there who has real fiscal problems making decisions of how this is going to be done without any checks and balances.

Mr. Sarasin. Obviously, every community has fiscal problems and every program has fiscal problems. We are going to have to face that. My fear is that the alternative to doing something like the approach I am suggesting, too, is to do nothing.

Mr. Young. If we thought the answer was to do nothing, we would be in opposition to this bill and other bills and say let's move along and hope the economy picks up. I do not happen to feel that way. I could answer you philosophically and say the real way to do this is to develop a full employment economy that is going to provide income and revenues to municipalities, States, and the Federal Government. It is going to provide more customers for the private sector and that is the way you are going to take care of the 20 percent unused capacity in the private sector, and that is the real way you are going to get jobs. But we don't seem to be able to prevail with that concept.

Mr. Sarasin. I agree with you philosophically on some of the points, too. There is fear that we are not going to see the job opportunities created, the contracts won't be put out on the construction, and the concern that the construction trades will not go on because we are trying to apply too rigid a standard. I think we see it with the Public Works Act that we passed. We provided $2 billion for $125 billion worth of requests. We have come back and done it again. I supported that. We are looking at municipalities and they are saying, good, I hope we get the money. They are doing nothing in the meantime. They will not go forward with a project because they are waiting for this so-called free Federal dollar.

I am concerned that the bill that we passed, aside from what we are doing, might actually put a damper on the State and local agencies because they are all working for the Federal dollar to take them off the hook so they slow down.

Mr. **Young.** I think that there is some of that. Unfortunately, it is part of human nature. There are also many localities that do not have dollars to put into things. That is one of the reasons we objected to the form of a matching fund for public works money. If that holds true, it also certainly holds true for a type of program. The locality is going to say we can't do it because we are going to wait for Federal funds. It is much cheaper to go that way and lay off some more people. That is one of our concerns.

I guess we are really saying, and maybe all of us are saying, that given the unemployment problem, what is happening is we are trying to find a way to get youth into the labor market and conduct something that will lead to productive jobs instead of substituting for someone else's job. I don't think anything like that makes sense.

Mr. **Sarasin.** You have a journeyman, you have an electrician, you have an apprenticeship. Every employee is not like every other employee.

Mr. **Young.** That depends on the degree of skill you have. Many other union workers—in the unions I come from, you go in the gate and you get what you get, and there is no distinction.

Mr. **Sarasin.** My concern is, and I think you share the concern, that we are trying to put the emphasis in the wrong place. We are trying to try for jobs that are not going to exist. Maybe we should get back to looking at what should be done to keep that youth in school. That is where we need the incentive. That is where I think H.R. 6044 would tend to impact. I think it is a comprehensive piece of legislation.

Mr. **Young.** We agree with keeping the child in school. We disagree on some of the ways you propose to solve this problem.

Mr. **Hawkins.** If there are no further questions of the witnesses, we wish to thank you again for your presentation. I am sorry that my original question opened up a lengthy debate. We will never put Davis-Bacon to rest, that is for sure.

Thank you again for your very able presentation.

Mr. **Young.** Thank you, Mr. Chairman.

Mr. **Hawkins.** The committee intends to proceed, even though the House is in session and a quorum call apparently has been called. We will come back as soon as we have answered the call. Hopefully, some other members will return. We do intend to complete the agenda. At the same time, may I announce that it is the subcommittee's intent to begin a markup of a bill on the 3rd of May. It is our goal to get the bill to the full committee by the 10th. That is the plan. Now, whether or not we adhere to that depends on a lot of things, but that will give us perhaps the only possibility of action before the 15th of May. Also I do hope that some of the members will stay with us throughout the afternoon as long as possible.

The committee is in recess for 5 minutes.

[A brief recess was taken.]

Mr. **Hawkins.** The subcommittee is called to order.

The next witnesses are Joan Wills, director, employment and vocational training program, National Governors' Conference, accompanied by Keith Molin, director, Department of Labor, State of Michigan and Phil Lerman, director, Governor's Office of Employment and Training, State of Wisconsin.

Mr. Lerman, I would like to acknowledge at this time your presence as a witness at one of our field hearings a few years ago. We certainly profited greatly from your testimony at that time. I know we will again. Also we welcome the other witnesses.

How do you wish to handle it? Ms. Wills, will you be the anchor person?

STATEMENT OF JOAN L. WILLS, DIRECTOR, EMPLOYMENT AND VOCATIONAL TRAINING PROGRAM, NATIONAL GOVERNORS' CONFERENCE, ACCOMPANIED BY KEITH MOLIN, DIRECTOR, DEPARTMENT OF LABOR, STATE OF MICHIGAN; AND PHIL LERMAN, DIRECTOR, GOVERNOR'S OFFICE OF EMPLOYMENT AND TRAINING, STATE OF WISCONSIN

Ms. **Wills.** I will be giving the testimony on behalf of Governor Kneip, who has appeared before your committee, but for a variety of reasons, including droughts and dealing with the State legislature in South Dakota, he was unable to be with us today. I will try to summarize what our basic concerns are. Then Mr. Lerman has prepared written testimony for submittal, but he is here as the chairman of our National Governors' Conference CETA Leadership Committee. He will be here to answer questions. Mr. Molin is the director of the Department of Labor in Michigan. He has some interesting things going on and I am sure you will be interested in hearing about them. He will give verbal testimony.

Mr. **Hawkins.** May I say, all the prepared statements will be entered in the record in their entirety. Without objection, it is so ordered.

You may proceed.

Ms. **Wills.** As Governor Kneip said to you I think approximately a month ago, that the Governors themselves during their midwinter meeting had passed a resolution regarding the youth employment concerns in America. I have not gone through the set of statistics, which I assume by now you have a proliferation of statistics.

Let me say we support a new title under CETA for the following reasons. One, the current formulas we have do not sufficiently target the funds to the areas that need them the most. Furthermore, we think it is incredibly important that there be legislative review prior to the initiation of any activities of this magnitude.

The Governors also said at the winter meeting that, given the facts and the hard realities, there is not sufficient money to go around to meet all the needs that everybody is concerned about, that we are in favor of targeting of funds to the economically disadvantaged and, more specifically, to the youth of ages 16 to 22.

On an administrative side, they are quite concerned about the utilization of the current State and local advisory councils under CETA. They see no particular reasons why we need to develop new advisory mechanisms, if anything they should be extended to strengthen the ones that are already in existence.

As you are also aware, at the time Governor Kneip testified he called for a set-aside for Governors for some flexible activities for the States. I will get back to that a little more in detail in a few moments.

Another thing that is of critical concern in terms of the proposed legislation, and one we have heard a great deal of conversation about already today, and that is whether or not this bill as currently proposed is to be a countercyclical proposal dealing with the economic recession or do we need to take another look at the chronic problems of youth unemployment that are with us in better economic times.

Our preference is not to repeat the mistakes of the past and focus on more long-term employability development and career option activities. In regard to the Federal Government and their particular roles and their activities, we are most concerned about, as you know, we are opposed to the proposed 50-50 funding methodology under part C for a variety of reasons. Much of that is really because we perceive throughout the Department of Labor proposal that perhaps we have an intergovernmental dilemma.

We think the Federal Government should strengthen its oversight capabilities, increase its evaluation capabilities, and certainly and particularly, given this part A, B, and C methodology, we think they need to pay particular attention to equal opportunity activities under the proposed part A and part B, the type of jobs to be available certainly are not be something that are traditional jobs for young women. I think we are very much aware that the unemployment rate for young women is incredibly high, therefore DoL needs to monitor this carefully.

There is another concern in terms of the 50-50 kind of proposal that I think we need to be aware of. It is not because we think formulas are magical by any stretch of imagination. We know they are not magical. It is simply that as currently proposed, if you assume that the continuation of part B and the configuration that is proposed under part C, we are talking about four project application and administrative mechanisms, all with different criteria. We will increase, no doubt, several times over the administrative costs for the administration of youth programs if the current 50-50 split continues.

Unfortunately, I cannot give you a solution in terms of the maintenance of effort issue. All I can do is to point out a problem. I don't think there is anyone who is ready to reduce significantly by any stretch of imagination the amount of money that are currently going into programs for youth under titles I, II or III of CETA but we may end up with an administrative nightmare. Currently 60 percent of all title money goes into youth programs. If we are not careful in terms of the verbiage we could end up with 90 percent in a year or two of all title money going for youth.

I am glad Congressman Sarasin walked back in. I wanted to remark on his proposed bill. In the last 2 or 3 months I think I have heard the words "innovative," "demonstrated effectiveness," and "creative" floating around this town as if something great and magical were going to happen if we have 50 percent set aside for the Secretary to do innovative things.

I think it is important to know Mr. Sarasin's bill is probably the most innovative thing I have seen in a long time. It is simple and administratively clean. It does target. I have not had an opportunity—our leadership will be going through it in more detail as soon as we have a chance to breathe—but the entitlement concept that is suggested in that bill, as I understand it, would indeed perhaps solve some of our formula dilemma problems.

I would like to go back very briefly to a concern in part A. I have seen the suffering going on in terms of a question we have already had today. As I stated earlier, we do believe that the money for programs for youth should be targeted to the economically disadvantaged. How we define what the term "economically disadvantaged" is, I guess is open to debate and some consideration.

There is another problem under the current part A. We should think about the geographic distribution question, making sure that there is availability in some form or another, to all parts of the country, perhaps by a set-aside that is under the YCC legislation—and as I recall it has a 30-percent set-aside for State and local programs.

We are concerned there be funds and I think it is fairly safe to assume if there will be some form of program like part A, that those funds be as close as possible to where the youth are who need the jobs most. That can either be done by the set-aside or formula mechanism.

On the east coast, where there is a high unemployment rate in the urban areas, there is fairly close——

Mr. HAWKINS. Would you develop that a little bit? There is some confusion as to whether or not we are talking about States or areas that have a great deal of forest land and other areas that don't. Under the broad definition given, however, to part A, it would seem that it would include the great park areas that are in urban cities, even in New York City or Los Angeles, which has Griffiths Park, or agricultural districts within the city limits of Los Angeles.

Now, you are suggesting——

With that broad classification, is there any great problem such as you mentioned?

Ms. WILLS. What is unclear to me, Mr. Chairman, is the question of eligibility, how much does go to city and county park districts. How we do that, I am not sure, and I think that is what our critical concern is to all State parks and forests, and city parks and forests. We are not raising any kind of nonsensical debate, State parks versus local parks, by any stretch of imagination. We don't see anything in here that would assure currently under this legislation that there is an equitable geographic distribution of the funds, and that is our concern.

Mr. HAWKINS. Are you fearful that the Department of Agriculture or the Department of the Interior would not have jurisdiction over some of those areas and therefore would not contract with the Secretary of Labor because of their historical avoidance of such areas or that they really don't have jurisdiction over many of them?

Ms. WILLS. I am not sure it would be contracted back to the Department of Labor. As I understand the bill, the Department of Labor would in essence contract with Interior and Agriculture to perform the activities and is really at the secondary level of how you begin to contract your State parks and forests and what mechanisms you need to put into place, and that goes down to local participation.

Mr. Hawkins. It is not clear to me either. We have not had any understanding of it. If you do get a clarification of it, it completely goes to part B.

Mr. Lerman. In order to protect the rights of all the counties within the State of Wisconsin, we have legislation flowing through our State legislature now which would take this money and match it with certain State moneys to set up a coordinated mechanism in case it is absent from the Federal legislation or from the regulations as they come down, mandating the State Department of National Resources and the State Department of Agriculture, working with the CETA system to set up a coordinated mechanism to assure those areas of the State, where there are county and city parks, that they would get a fair share of whatever dollars we might get. We are not too sanguine at the moment about what the Federal interpretation would be, therefore we are providing the protection as of the local level.

Mr. Hawkins. Would you contract with the Secretary of Labor or any group you see open?

Mr. Lerman. No. They would be contracted, in our reading of the legislation, with the two State departments and apparently would be the recipients of the funds, so we compensate.

Mr. Hawkins. So you have a third layer. You would have the State group to which you refer contracting, as a subcontractor with the Department of Agriculture or the Department of the Interior.

Mr. Lerman. Right, using the State Manpower Service Council as a mechanism.

Mr. Hawkins. Do you construe the existing proposal to provide for that to be done or do you think it needs to be clarified?

Mr. Lerman. We believe it has to be clarified, and all we are trying to do is protect ourselves. We do have national forests and national parks in the State.

Mr. Hawkins. Ms. Wills.

Ms. Wills. That triggered a thought that was in the body of my testimony, because under the proposed section 806 language it generates just the confusion reflected in this dialogue. It currently says—and I must admit I don't understand what it means—"The Secretaries of Interior and Agriculture may make grants or enter into other agreements, after consultation with the Governor with any State agency, or after consultation with a variety of other people."

What we are suggesting is a clarification of that language, simply saying, "after consultation with the Governor and appropriate local elected officials," simply because I think there is a reality of life, that, one, I certainly don't know which State agencies administer programs. I don't know whether it is the same configuration at the national level.

There are a variety of mechanisms at the local level. It seems to be fairly simplistic, I guess, but also appropriate to talk to the elected officials who theoretically know who is responsible for administering a program, so we don't create 15 different levels or program operators stepping over each other in part A.

Mr. Hawkins. Have you concluded?

Ms. Wills. Yes, Mr. Chairman.

[The prepared statements of the panel members follow:]

National
Governors'
Conference

Reubin O'D. Askew
Governor of Florida
Chairman

Stephen B. Farber
Director

TESTIMONY
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

BY

JOAN L. WILLS
DIRECTOR
EMPLOYMENT AND VOCATIONAL TRAINING PROGRAM
NATIONAL GOVERNORS' CONFERENCE

APRIL 21, 1977

The Honorable Augustus Hawkins, Chairman

Good Morning Mr. Chairman and members of the Sub-Committee. I would like to thank you for this opportunity to present the National Governors' Conference observations on Proposals for Youth of employment and training programs. These comments are presented in behalf of the Conference as a whole and specifically for Governor Richard Kneip the Chairman of the Human Resource Committee of the Conference. He is unable to be here today.

We have a panel of four individuals with us today each representing their individual Governor. Each will briefly summarize their own observations and concerns and will be able to answer technical questions regarding the proposed new youth title. Each of them have responsibilities in their respective states for the oversight of CETA so they live daily with the realities of the impact of the CETA law and regulations. It is also important to note that three of the states represented today plus others like California throughout the country have passed state laws or have proposed to their own legislative bodies their own youth employment legislation. Hopefully the legislation you are considering here today can be complimentary to these efforts.

Regarding the proposed youth legislation, it should first be noted that the Governors during their recent mid-winter meeting reviewed and approved a policy statement regarding the employment needs of youth because they recognize the nation cannot continue to ignore the severe and chronic problems of youth which have been exacerbated by the recession. The key ingredients of that policy statement are:

1. The establishment of a new Title under CETA after the legislative review and debate.
2. Targeting the bulk of the funds to economically disadvantaged youth, aged 16-22, since they have the highest unemployment rate and are most severly affected by the dilemmas of the labor market.
3. The current state and local advisory council mechanisms of CETA which represent a wide range of citizen concerns and involvement, should be utilized because they have developed during their brief existence the best expertise and awareness of programs and resources within the state and local communities. Any creation of a duplicative set of structures would undermine the ability of these citizens groups to ever achieve their full potential.
4. The position also calls for a set aside for Governors. As the chief executive officer of the state, the Governor has the unique responsibility to assure the some logic and targeting of scarce resources is assured. Funds need to be available at the state level to adequately provide employability development opportunities to youth who are wards of the state, either under protective services care or a ward within the state correction systems. Occupational

and labor market information collection and dissemination are state responsibilities within the framework of the current federal/state partnership programs and flexible money is needed to assure dissemination into sub-state areas in a coordinated manner, including such things as joint career guidance programs in the school systems utilizing the experience of the employment service, teachers and community college personnel.

5. The new Title should be implemented in conjunction with existing CETA, ES, and other related programs. CETA Title I training program in particular, are essential and should be continued at least at current levels.
6. The Governors also supported the doubling of Job Corps with continued decentralization at the regional level with the stipulation that recruitment should be done through CETA since it is the primary employability development system at the state and local levels, and a residential center should be a viable option for youth entering through the doors of the CETA program.

Before addressing the details of the proposed new title it seems appropriate to make two observations.

The national recession has generated much confusion for all of us when making attempts to suggest appropriate social policy and such confusion is reflected in the proposed youth legislation.

It assumedly is recognized by all of us here today that youth unemployment is severe and chronic and many young people lack marketable skills. Youth who have dropped out of school generally have sent out "warning signals" to society years before the day they leave the school room for the last time. Even those who have stayed in school often lack knowledge of career options and need a period of time to explore a range of job opportunities but are frustrated due to their inability to penetrate the primary labor market. The present major thrust of the proposed legislation focusing on one year jobs with minimal emphasis of remedial or skills training plus the implication this total program is a short term counter cyclical thrust is distrubing. Hopefully legislation can be passed that recognizes the employability development needs of our young people and not one which will over promise and assume a "good job" twelve months after they enter the program.

The other general concern is one perhaps best labeled as the "intergovernmental responsibilities dilemma". This concern is perhaps most obvious to those of us concerned about making state government a manageable, workable unit that is cabable of being responsive to its partners at the federal and local levels in the context of this proposed legislation. The Governors, when considering the policy resolution which was referenced earlier did not ask for a "state block grant" for all the funds. They clearly recognized the appropriate role of local governments in delivering direct services in a manner which makes sense at the local level. Instead they are asking you and the Administration to recognize that unique responsibilities and opportunities exist at the state government level which if ignored will render null and void the first word in the CETA act, comprehensive. The Department of Labor has just recently strengthened the role of state apprenticeship councils yet there is no recognition in this legislation which would provide appropriate linkages between that DOL sponsored intitiative and the CETA structure. The employment service system, a state administered program is yet another example of a structure briefly reference although we have a good opportunity to link and indeed improve their labor market information responsibilities and expertise with that of the education communities to provide career options information within the school systems. Wards of the states mentioned earlier more than likely will not receive job training services unless we recognize now they, perhaps more than most youth, need specialized intensive support.

We would like to also suggest that not all research and demonstration activities belong at the federal government level. Partnerships between state and local units of government and community based organizations need to be tried and tested. We therefore strongly urge you to develop language which would set aside funds to help acheive these critical linkages. We would suggest that perhaps the appropriate model already exist in the CETA Title I formula mechanism where 10% of the funds are currently allocated for unique state responsibilities.

This leads us to our second concern in the intergovernmental dilemma arena the appropriate role of the federal government.

Our particular concern focuses on the proposed 50-50 split funding scheme under part C. Our preference is to see a larger percent allocated by formula using the model already incorporated in CETA with 80% of the funds allocated to [illegible] sponsors by formula and 20% for use at the Secretary's discretion. [illegible] put the Department of Labor back into the pre CETA business as major project managers is a step backward in our view and will divert their attention away from the activities for which only they have responsibility. Specifically, we would suggest the Department needs to improve their monitoring techniques, evaluation capability, their training and technical assistance efforts, focus improving on the critical lack of information dissemination and assuring that equal employment opportunities mechanisms are enforced. Equal access to jobs will no doubt be a very real issue which must be addressed particulary under the proposed parts A B for young women due to the fact these proposed activities are in occupations which have not been traditional jobs for females. If the Department does not focus its energies on these critical activities our intergovernmental system will remain confused.

Now to specific concerns under part A there are two specific suggestions. The proposed Sec 806 language is somewhat confusing. It currently ... the Secretaries of the Interior and Agriculture may make grants or enter into other agreements, after consultation will the governor, with any state agency or after consultation with the appropriate state of local officials ---- we would suggest the language be altered to read after consultation with the governor and appropriate local elected officials.

A more pervasive concern exists regarding geographical distribution. There is a need to assure that funds under part A are adequately distributed to all parts of the country particularly close to the areas with the highest unemployment population resides. One of two methods may be used to help guarantee this. A flat set aside for state and local parks and forests similar to the 30% criteria which exist in the current YCC legislation or a percentage set aside mechanism like that suggested in the proposed part B.

The Governors Conference has no position per se which would adequately address the proposed part B in terms of program design except to restate our concern that funds should be targeted to 16-22 year olds and the economically disadvantaged. We do not feel that any further comments would be appropriate through others here today have comments reflecting there own state concerns.

Under part C we have already stated major concern indicating a preference for an increase in the formula allocation including a set aside for Governors. We fully recognize the problems of the lack of sufficient statistical information regarding youth unemployment and are anxious to see a computer print out of the impact of the proposed administration's formula as well as the proposed formula suggested by Senators Humphrey and Javits. It should be clearly understood the Conference recognizes that a crises exist in our large urban areas and we think the funds should be so appropriately targeted.

The employability development focus referenced earlier appears to be inadequate for out of school youth. We also feel that a career options program for in school youth is critically needed. The secondary and post-secondary education institutions, with its ongoing programs, should play a role in the total effort since the problem of youth unemployment must be addressed in a broad context which includes occupational counseling, education, and skill training.

In addition to the employability development and career options strategies, there needs to be emphasis on linkages with the private sector since placement in an unsubsidized job must be the ultimate objective of the youth employment programs and the bulk of jobs are in the private sector. Perhaps a modified and expanded apprenticeship program would be an appropriate initiative.

We would like to sound a note of caution regarding the maintenance of effort provision related to ongoing CETA Title I youth programs. Approximately 60 percent of the current Title I enrollees are youth. The maintenance of effort provision would require prime sponsors to maintain their Title I programs for youth in addition to those activities funded under the proposed new youth title. Our feeling is that such a requirement would seriously jeopardize the comprehensive, decentralized and flexible nature of CETA Title I and lock prime sponsors into programs and services that may be duplicative and inappropriate given the enactment of a new CETA youth title. While we recognize the need is to expand services, we also are fearful of generating an administrative monster which serves no one well.

One final observation, Representative Sarasin by introducing the Youth Incentive Act has restored my personal faith in the word innovative. The words innovative and demonstrated effectiveness have been loosely thrown around of late as though something magical will happen with such tags. The entitlement concept is worthy of serious consideration and, may well be the solution to the formula dilemma which we all face, certainly the proposed administrative structure closely matches the preference of the Conference and also compliments our desire to target the funds. We think the ideas bear further consideration.

REMARKS

Keith Molin, Director
Michigan Department of Labor

before the
Subcommittee on Employment Opportunities
House Committee on Education and Labor

Thursday, April 21, 1977

Washington, D.C.

Summary of Michigan Labor Director Keith Molin's remarks:

1. Broaden bill to include in-school youth.
2. Structure program to insure that, to the maximum degree possible, youths completing training will be assured permanent jobs in the private sector.
3. Avoid dead-end jobs that last only as long as it takes to spend the government grant.
4. Allocate funds strictly on the basis of equity and need.
5. Incorporate program that provides part-time jobs for those who are completing their education.
6. Limit eligibility to participants between the ages of 16 and 19.
7. Maximize job opportunities and training in the private sector.
8. Eliminate family income as factor in allocating funds.
9. Make relative unemployment, adult and youth, the main criteria for funding.
10. Allocate funds to governors for development of local programs and coordination of federal-state-local job-training activities.

Mr. Chairman, Members of the Committee:

I appreciate the opportunity to present my comments on the proposed Youth Employment and Training Act of 1977.

As the Director of the Michigan Department of Labor, and on behalf of Governor Milliken, I would like to commend the President for his initiatives in this important area.

The problem of jobless youth is not a new problem. The problem of jobless youth is a growing problem. Twenty-five years ago the jobless rate for teenagers was about 5 percentage points higher than the adult rate. By 1975, teenage unemployment was out-stripping adult unemployment by nearly 13 percentage points, despite the fact that teens then and now comprise a minority of the workforce.

In the nation today, those under 25 years of age account for nearly half of the unemployed. And more than 20 percent of the total unemployed are teenagers who comprise only 10 percent of the labor force.

Non-white teenagers -- particularly those who live in urban areas -- have it even worse.

In the last quarter of 1976, the jobless rate for all teenagers was 19 percent. The rate for non-white teenagers was 35.8 percent.

The situation is even more acute in Michigan.

In 1975, the jobless rate for Michigan teenagers -- those between 16 and 19 -- was 24.5 percent. In human terms, that is more than 108,000 youngsters frustrated in the job market.

The jobless rate for non-white teenagers was more than twice as high -- 47.4 percent, or 18,000 youth.

The sheer magnitude of the number of unemployed youth in Michigan is significant. But equally significant, and alarming, is the intractability of the problem.

The number of unemployed youth in Michigan did not drop significantly from 1975 to 1976, despite improved economic conditions and a sharp decline of about 100,000 in the number of adult unemployed.

I would like to be optimistic and say that we have seen the worst. In the face of such statistics, however, I cannot be.

I do not mean to suggest that past efforts to solve the teenage unemployment problem have been complete failures. Nor do I suggest that those failures have been the result of neglect in addressing the problem.

The situation should compel us to look again at the somber facts and begin making a series of reasoned decisions on how we are to proceed.

The bill before this committee represents an opportunity to move boldly in new directions in our nation's continuing struggle against the social and economic dislocation of youth employment.

To that end, I would urge this committee, and the Congress to insure that the large but limited amount of money the bill provides is invested in the most productive way possible -- in programs that will make our youth not merely employed, but employable in the real sense of that word.

Consider, for example, that nearly 40 percent of the funds in the bill -- the $350 million for the national Young Adult Conservation Corps and the $250 million for the Youth Community Conservation and Improvement Projects -- are to be spent for jobs that will last only twelve months.

But what of those jobs? For the most part, they will yield a paycheck to the workers only as long as it takes to spend the $600 million.

I don't dispute that a good deal of productive work may be accomplished -- particularly as it involves some worthy conservation projects, the repair and rehabilitation of urban housing and the winterization of the homes of the elderly and impoverished.

Yet, the young men and women participating in these programs will for the most part leave the payroll with no more job skills -- or employability -- than they had when they entered.

And unless a tremendous job market develops for leaf-raking, or other such dead-end employment, these young people will be back to square one -- out of school, out of work and, I am afraid, out of hope until another federal grant is provided.

I am acutely aware of the national need to provide productive tasks for the growing army of jobless youth -- particularly as we approach what could be another long, hot summer.

Therefore, I support a limited allocation of the available funding for labor-intensive, fast-track projects that are envisioned in the bill.

I do not believe, however, that we will be meeting our responsibilities by simply appropriating large sums of money to create temporary public service jobs.

Therefore, I urge this committee to change the focus of this bill and commit a far greater share of the funds to projects that will give our youth something of value -- job experience and training that will make them truly employable in the future in unsubsidized jobs.

This could be accomplished in part by a substantial addition of funds to Part C, the Comprehensive Youth Employment and Training Program, which supplements activities currently assigned to prime sponsors under CETA Title I.

As you are aware, half of the $900 million in Part C is to be given the Secretary of Labor for discretionary allotment. I don't question the Secretary's ability to allocate those funds to the best advantage of the program. But I think that the criteria for allotment ought to be more carefully spelled out, perhaps requiring that the funds be directed to areas where unemployment, youth and adult, is highest.

I would like to make one further comment regarding funding allocations in Part C.

The formula for the non-discretionary funds gives proper 75 percent weight, I believe, to the relative number of unemployed persons within the state.

But I question whether the remaining 25 percent weight should be given to the relative number of persons in so-called low-income families.

A better factor would be the relative number of eligible unemployed youth within the state.

For instance, in a typical Sunbelt state, where wages tend to be low by northern standards, there would be an inordinate number of persons earning less than 70 percent of what the Bureau of Labor Statistics calls a lower living standard income.

In Georgia, for instance, 20 percent of the population was counted below the so-called poverty level in 1976. Yet the state had a jobless rate of only 8.1 percent.

By contrast, in Michigan, with a 9.4 percent jobless rate, there were only 9.4 percent -- the same percentage -- classed below the poverty line.

Needless to say, Michigan -- a state with extreme numbers of unemployed -- will receive appropriately greater assistance if income levels are not a factor in the allocation formula.

This legislation could also be strengthened by incorporating a number of amendments already proposed in both the House and Senate.

One such amendment, by Mr. Javits of New York, would permit establishment of appropriate employment and training programs for job-seeking youth still in school. As Mr. Javits has pointed out, a major defect in the pending legislation is its failure to recognize that one-third of the 3.1 million youth (16 to 24 years of age) looking for a job today are still in school -- a situation that has not changed substantially over the past 10 years.

I support the establishment of such programs for job-seeking youth still in school.

Professor Bernard E. Anderson, in his evaluation of federal manpower programs, concluded that the most effective programs were those that provided on-the-job training and assured the participant that he or she would be hired when the training was completed. And the further the job training programs departed from that ideal, the less successful they were.

A program that would take us a long way toward that goal -- assured employment for trainees -- may be possible through an amendment offered by Mr. Sarasin of Connecticut.

His proposed Youth Incentive Act would guarantee a part-time job to any economically-disadvantaged youth who resides in an area of substantial unemployment who continues or reenters high school or goes into a program that leads to a high school equivalency certificate. Youth in the program also would be guaranteed employment during the summer.

I support the Sarasin amendment.

I would like to refer to your attention another promising program which is being implemented in Michigan.

Governor Milliken has asked the Legislature to appropriate about $13 million for a two-part program to provide employment opportunities and job training for Michigan youth.

The first phase of the program [illegible]l provide summer jobs for approximately 2,000 youth this year. The second phase, to begin with the start of the new fiscal year in October, will concentrate on those youngsters whose needs are the greatest -- urban and rural youth who are economically disadvantaged.

The program has a misleadingly small price tag -- if you count only the state dollars that are required. However, the $13 million could -- and should -- be multiplied many times by the addition of federal funding under the present CETA program and the added funding envisioned in the new Title VIII.

Governor Milliken has directed the Michigan Department of Labor, which is designing the program, to do more than merely provide dead-end jobs for teenagers.

He has directed that those jobs be of the type that yield more than just a paycheck. They also must yield the training and assistance the youngster needs to secure a permanent job in the private sector that is not dependent on a government subsidy.

Therefore, to the extent possible, these jobs will be in the private sector -- where the prospects are better that the new hire, after training, will be able to remain on the payroll long after the program funds are spent.

The Governor is making a special plea to business and industry to assume a major responsibility for and a commitment to the program. And I am happy to report that Michigan business is responding.

Increasing concerns over the dramatic slowing down in the growth rate of productivity and the continuing growth of public service employment, combined with the intractability of the youth unemployment problem, makes it evident that public employment and training funds must increasingly be invested in the private sector and targeted on jobless youth.

Unlike the traditional public service employment outlay, the Michigan program will likely have an anti-inflationary impact. You can get a debate on the subject, but it is my belief that public employment programs do contribute to inflation, basically because they do not contribute to production of marketable goods or services. Nor do they provide the workers with marketable skills.

There are other advantages to subsidization of the private sector that would not accrue under public services programs.

The private sector approach to stimulating employment and training can incorporate the advantages associated with the market system.

For example, the types of output produced and the skills acquired by the trainees will be governed by consumer and other market demands.

Put another way, the skills acquired will be marketable -- a guarantee that has not been, and cannot be, provided through public service employment.

The advantages of employment experience in the private sector undoubtedly are more easily transferred to other non-subsidized jobs.

I believe the Michigan youth employment program, as well as similar efforts in other states, should be funded under the administration's youth employment programs as part of the "new directions" to which I referred earlier.

This could, and should be, accomplished by earmarking an appropriate portion of the available funds -- I recommend 20 percent -- for discretionary use by the governors of the states.

These funds could be put to good use in development of innovative job training programs geared to the unique requirements of their states.

These funds also would enable the governors to coordinate the myriad of federal-state-local efforts of CETA, the employment service, education and corrections systems and other agencies involved in employment and training.

I am concerned about the overall funding provisions of the administration bill, and urge the committee to examine them carefully.

My main concern is that the funds will not necessarily be directed to those areas and those youth with the greatest employment needs.

Admittedly, $1.5 billion is a great deal of money. But I submit, however, that that sum is dwarfed by the immensity of the problem we face.

We estimate, for instance, that Michigan could receive as much as $75 million under the bill. Yet, we have approximately 200,000 jobless youth, 16 to 24 years of age, who would be eligible under the program.

And if we spent $10,000 on each participant, the average annual cost for a full-time CETA worker, we could assist only 7,500, or 4 percent, of our jobless youth.

Therefore, in order to stretch those limited funds and to insure that they are directed at those with the greatest need, the eligible age-range for participants ought to be restricted to the ages of 16 to 19.

On that basis, Michigan and the other states with extremely high youth unemployment rates could assist a far greater number of those whose employment needs are most crucial in terms of both their short and long-range emplcyability.

Finally, I would direct your attention to section 813(a) of Part B, which stipulates that no less than one-half of one percent of the $250 million provided in that part shall be allocated to any one state.

That section makes a similar provision for Guam, American Samoa, the northern Marianas and the Trust Territories of the Pacific Islands, insuring that they will share at least one-half of one percent of the funds.

I confess that I do not know precisely the specific needs of the 50 states as they relate to youth unemployment. Nor can I accurately estimate those needs for the Virgin Islands or the other political jurisdictions enumerated.

But I can tell you this: that kind of blanket allocation, made without reference to equity, should be eliminated from the bill.

Michigan has paid a heavy penalty because of that kind of appropriations policy.

Michigan has been buffeted by other federal policy decisions over which we seem to have little control.

I refer to the federal decision to close Kincheloe Air Force Base -- located in a county of Michigan's Upper Peninsula where the jobless rate already is more than three times the national average.

I refer to the federal decision not to build the Army's new supertank in Michigan, where the unemployment rate remains well above the national average.

I refer to the federal decision to build the new Solar Energy Research Institute in Colorado, where an arid economy already has been made to bloom through federal largesse.

Decisions such as these, and others too numerous to be mentioned, mean that Michigan has lost millions of dollars and thousands of jobs to other states more favored by political decisions.

As a result of those kinds of decisions, Michigan's taxpayers are perhaps the most abused of any state in the nation -- receiving back only 65 cents of each tax dollar they send to Washington.

And, I might add, no other state in the nation -- or trust territory in the Pacific, for that matter -- gets back less.

Therefore, I would urge the people of Michigan -- and particularly Michigan's congressional delegation -- to go to the Washington window and shout: "I'm mad as hell and I'm not going to take it any more!"

Gentlemen, if that be treason, then I say let's make the most of it.

In closing, I would like to commend the Administration and the Congress for one further effort to attack the problem of youth employment.

I would like to thank you gentlemen for your time -- and for what I hope will be your assistance in insuring that the end product of our collective efforts is not just the expenditure of more public dollars, but an investment in our nation's youth, which is an investment in our nation's future.

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TESTIMONY BEFORE SUB-COMMITTEE ON EMPLOYMENT OPPORTUNITIES

COMMITTEE ON EDUCATION & LABOR

U. S. HOUSE OF REPRESENTATIVES

By: Philip E. Lerman
Executive Director
Governor's Manpower Office
State of Wisconsin
April 21, 1977

I would like to begin my comments with a very strong commendation to the Congress and the Administration for their efforts in developing this first Comprehensive Youth Employment bill and their wisdom in building it into the existing CETA structure. The passage of this bill will be the first truly significant step toward the resolution of the massive unemployment problem that faces all of the young people of this country. It will also, for the first time, give the state and local CETA Prime Sponsors sufficient resources to begin to adequately deal with the problem without having to make the impossible choice between the unemployed parent and the unemployed son or daughter.

While a very laudable, necessary and historic step toward the solution to the youth problem, this bill does not, of itself, provide the solution. It will continue to require the exhaustive efforts of all of us, working together, to realize the fruits of this first step. And as we all know, it will take many more such steps to achieve the solutions.

In the spirit of the cooperative effort represented by this piece of legislation, I would like to offer several minor changes. Changes that will, from our perspective, strengthen the bill and increase its effectiveness in implementation. I would also like to comment briefly on the amendments being offered by Senator Javits.

Basically, the changes we would suggest to the legislation as introduced are of three types. The first would more clearly focus or target the opportunities available under the Act to those most in need. Even at the funding level suggested by Senator Javits there would be many more unemployed and low-income youths than could be served. And it seems critical to us that these limited resources be targeted to meet the needs of the unemployed and low-income exclusively.

The second change would seek to more fully integrate the programs and activities authorized by this bill into the existing CETA system at the state and local level. This integration will require very considerable effort from Prime Sponsors and a spirit of cooperation that has not always been present in the past. But we personally feel that this integration is absolutely essential to a Comprehensive Employment and Training Program and we stand ready to do whatever is necessary to make it succeed.

Third, we would propose several changes that would allow and encourage a freer movement of enrollees between activities under this title and other activities under other existing titles of the Act. This would require a consolidation of eligibility criteria and greater use of Prime Sponsor's intake systems and programs in the recruitment for opportunities under this title. Most of the integration related changes will work toward this end, but we feel that it is important enough to merit specific clarification. A youth presently enrolled in a CETA Title I program should not be prevented from securing a needed job under this title because of an ambiguity in the legislation.

Youth Employment and Training Act

Part A: National Youth Adult Conservation Corps

Concerns:

1. Employment opportunities in the NYACC would not be targeted to the low-income and unemployed youth most in need of these opportunities.
2. Programs under this part at the state or local level may not be integrated or coordinated with other activities under other titles of the Act.
3. Youths on a "waiting list" (intake pool) or receiving services from a Prime Sponsor would not be assured of an opportunity for needed employment and training under NYACC.

Amendments:

Section 801

Eliminate the word "productively" to make clear the targeting of the Act to low-income and unemployed. Amend the section to read, "to provide employment and other benefits to youth from low-income families and who would those not otherwise be currently employed,...".

Section 802

Amend this section to make clear that the interagency agreements with the Departments of Interior and Agriculture shall specify the linkages between this program and existing CETA system. Add at the end of the second sentence "which shall specify the linkages between activities under this part and activities authorized under other titles of the Act." Delete the word "selection" from the last sentence and substitute the word "final selection."

Section 803

Amendments to this section to conform with the changes suggested in sections 801 and 803.

(b) (1) (A) - Change first phrase of first sentence to read "shall be unemployed and have attained age 16 but not attained age 22:"

(c) Change to read "first preference for membership in the Corps shall be given to those eligible under this part who are referred from activities under other titles of the Act and to persons who reside in areas determined by the Secretary."

Section 806

Amend this section to more clearly require consultation with the governor and the State Manpower Services Council prior to the development of agreements with state or local agencies and organizations for the conduct of projects under this part. The purpose of this amendment is to prevent duplication, and ensure coordination with, related activities and projects under other titles of the Act.

Change this section to read "...the, secretaries of the Interior and Agriculture may, after consultation with the governor, make local government or other public or non-profit agency or organization (which has been in existence for at least five years) for the conduct of any project under this part on federal or non-federal public lands or waters."

Part B: Youth Community Conservation and Improvement Projects.

Concerns:

1. That programs and projects under this part be integrated at the state and local level with the existing titles of the Act.
2. That the project approval process under this part be consistent with the project approval process already in place under Title VI.

Amendments:

Clarify the intent that projects under this part be integrated with existing programs and activities. Change the last part of this sentence to read "supplementary and complimentary to, but not replacing or duplicating opportunities available under Titles I, II, III, and VI of this Act."

Section 816

(c) (1) The inclusion of the Secretary in the approval process of individual project applications is not consistent with the remainder of the Act and adds unnecessary time and administrative burden.

Amend the first sentence to read "In order for project applicant to be approved by the eligible applicant, copies of such application shall... ."

Section 817

(a) To be consistent with the suggested change in Section 816 above this subsection should be deleted and the remaining subsections renumbered accordingly.

Part C: Comprehensive Youth Employment and Training Programs

Concerns:

1. That programs under this part be integrated into the existing CETA system.
2. That the method of allocation be based on the number of unemployed and low-income youth.
3. That the existing CETA Prime Sponsor system be used as the primary vehicle for the delivery of services on this part but based on the needs of youth rather than grantsmanship.
4. That welfare recipients continue to receive priority for services under this part.

Section 831

Amend this section to include the words "and complimentary" and "or duplicating" in the first sentence as suggested above for section 811.

Section 832

Amend to make clear that the programs and activities authorized under this part are as determined by the Congress. Delete the words "subject to such terms and conditions as he deems appreciate" from the first sentence of this section.

Section 833

Amend this section to make the allocation factors consistent with the purpose as need and the process consistent with the remainder of the Act.

(a) Delete the language contained in this subsection and substitute the amendment to (a) introduced by Senator Javits.

(d) Delete the words "fifty percent" and substitute the words "twenty-five percent."

Section 835

(a) (3) Amend this subsection to remove the unnecessary and costly adjustment to each public assistance recipient's income to "count" that small amount they would continue to receive if they received employment under this part. The "cost" of these individual adjustments more than offsets any "benefit." Delete the words "which the individual will be disqualified from receiving by reason of assistance under this part."

The Javits Amendments

As indicated in our earlier remarks, we very strongly agree with the two amendments that would change the basis for the allocation of funds and the amount of funding to be made available. We feel however, that the "categorization" implicit in the "15%" amendment and the CETA funding and role of the National Occupational Information Coordinating Committee will reduce the effectiveness of this youth effort. We therefore suggest that these two amendments be deleted and the original language retained.

Concerns:

1. Compromises local autonomy of Prime Sponsors by mandating "joint administration" with local education agency (agencies).
2. Would create an unwieldy management situation for those Prime Sponsors whose jurisdictions encompass a multiplicity of local education agencies.
3. Completely changes target group population from out-of-school, out-of-work youth to in-school participants.
4. Duplicates the already in place Vocational Education legislation which provides for part-time employment for in-school youth.
5. Adds additional counselors in local education agencies whose responsibilities would duplicate the duties of counselors already provided for by the Vocational Education legislation.
6. Stipulates 3 to 5 million fiscal year dollars for National Occupational Information Coordinating Committee, which exactly duplicates previously provided monies in Vocational Education Act.
7. Takes already inadequate CETA funds and, in effect, transfers same to school administrators for purposes of shoring up vocational education coop programs which are funded by other federal, state, and local tax dollars.
8. Puts significant strain on available public service employment positions by inserting multi-thousands of in-school youth into part-time jobs in this sector.
9. Creates on-job supervisory problems on a very large scale for potential cooperating public and private employers.

Mr. **Hawkins**. Mr. Molin, do you wish to make any comments?

Mr. **Molin**. In the interest of time, I will do as my colleagues have. I will attempt to summarize the written testimony.

I speak as the director of the Michigan Department of Labor from a State which is experienced historically with an inordinately high unemployment rate. We are all familiar with statistics and our youth statistics in Michigan are even more dramatic than in other States.

The major problem that we have in our area not only is the level high but the nature of the unemployment is almost intractable. We just don't seem to be able to get at it. We see in the proposal which your subcommittee is considering some opportunities to get at the roots of that problem and to address it, not just for the duration of this particular program but in the long range and on a permanent basis.

If I may just summarize and share with you some efforts we have undertaken at the State level which I think reflect some thoughts that have been expressed here earlier and is reflected in part by the nature of the Youth Incentive Act which has been proposed by Mr. Sarasin.

We would support the concept and approach. We find we can identify with our efforts at the State level and at Governor Milliken's direction to initiate an effort of this type with State money, with the objective being to address, number one, a particular group of persons, young people who have been historically the least able to break into the job market and who are victimized.

What we consider to be the greatest defect of all the past efforts, whether they are State or local, and that is what happens to the program the day the money and grant runs out? Is the skill the client has been provided with or is the job that particular client has been placed in going to continue if the funding decreases, or is it eliminated at all?

Our objective in the State effort quite frankly is to take advantage of those resources and try to create new opportunities or manner in which those people can break into the job market and have some reasonable assurance of that a job will continue if and when the program expires or the funds in the program are exhausted.

To that extent, we recognize the problems that were articulated earlier this morning. We do not believe that this program or State programs or any combination of the two should have as a part or as an opportunity the ability to substitute youth for other workers in the work force who are out of work. That is really not progress or achievement. That is a transfer of the problem.

No. 2, I am afraid we would see the discussion which addresses the fact if you put youth to work you are displacing others or preventing others from returning to the work force, accepting the fact that the number of jobs we have today are the maximum number of jobs that we are going to have, period. I think that frankly is a limited concept. I think we have to recognize that if we are going to employ our full labor force, then the types of jobs available are going to have to be more diverse in name and more numerous in nature. We see that as an objective.

That is by way of suggesting to you, Mr. Chairman and members of the committee, we in Michigan have some circumstances which are relatively unique. Other States have problems which we do not have, but are unique to them.

One of the recommendations in the testimony is that a portion of those funds—we recommend 20 percent—be set aside for discretionary use at the State level so States can be capable of meeting their unique needs and held accountable from whom those moneys originate as well as combining those moneys with State resources that might be available to meet the needs of client groups who are either out of school or out of work, or, in any event, out of hope. That is the target we are looking at.

We do have a problem of the perspective with the manner in which certain of those monies are being allocated. We may be over-sensitive in this area, but in recent years we have been the victim of decision-making processes and decisions at the federal level candidly which have created unique and devastating economic problems for us.

We just recently had a Federal institution close in a county where unemployment was running in excess of 20 percent. We have had other decisions in this State. We have had as a result of it the displacement of our work force. We have as a result of those decisions a devastated economy which is essentially what this type of a program is aimed at resolving. Yet the allocation process that we see would put us in the position of receiving fewer dollars than other States who will not have those problems or whose economy has been less victimized.

We make some recommendations that the allocated funds be carefully reviewed by the committee. I think rather than specifying one particular item our major concerns were outlined in the testimony, but the bottom line really is that we are looking for and would encourage the subcommittee to look to the question of what happens to the clients in this particular community if and when the grant is either decreased or the program is exhausted.

It was observed earlier that—we have a major problem in limited resources, and I would suggest that probably is the best description of the situation as it exists today in the State of Michigan. Our experience is somewhat longer than most parts of the country.

Our problem is no more serious to us than other States is to them, but what we are looking for is the flexibility to use those resources, a fair share of those resources.

The bottom line of the program that is enacted by the Congress and some of the adjustments to the existing proposal that we would recommend in our judgment would bring it to that point. They are contained in the testimony.

Unless there are some questions, I would simply refer the written testimony to you.

Mr. HAWKINS. Mr. Molin, you raise an important question. I don't know anyone who has discussed the solution. That is, as it was said, this becomes in a way a countercyclical program. I don't know that it addresses the problem of what happens at the end of the year when the project that that individual is in is terminated. If there are suggestions, the committee is open to receive them. I don't think the proposal itself gives any answer to this question.

Everyone is anticipating that they are in the throes of recovery, which some of us doubt very seriously. Assuming we are not in that recovery and the recovery period is extended, what happens then? I don't know how you write that into the bill when the general prevailing thought is a year from now everything is going to be all right.

Some economists even say we haven't really gone through a recession. We have had a problem in employing people, women and a few others have suffered, and that is our problem. Our problem is statistical in nature. That is just the way we define employment these days, and if we define employment itself correctly, then we would have 3.5 percent unemployment.

In view of that type of reasoning, I don't know what you do in a proposal of this nature. We are asking for some suggestions. How do we solve that problem?

As to the substitution problem, I was going to ask you whether or not the general provisions in part D reach that problem of substitution. At least this is the first attempt to really spell out some of the criteria to anticipate regulations that may prevent that substitution problem. Is there a feeling of the witnesses that the provision is inadequate, that the criteria in that section 851 does not guarantee some protection against substitution?

Ms. WILLS. Is that the maintenance of efforts question?

Mr. HAWKINS. Section 851 deals with certain criteria with respect to regulations. Activities under this proposal will result in an increase in employment opportunities, would not result in the displacement of currently employed workers, will not impair existing contract work, will not substitute jobs, et cetera.

Ms. WILLS. That is the maintenance of effort regarding basically the concerns we have just heard from the AFL-CIO. I think, without being an expert in that area, it seems to me that is the one in terms of the maintenance of effort. The question that, quite frankly, came to my mind when I read that is I was wondering how they were going to enforce that, which is precisely why I think we need to clarify the role of the Federal Government's responsibilities.

If they are going to do that, how can they also be running projects?

Mr. HAWKINS. I guess they could terminate the funds under the program if these regulations are not complied with.

Mr. MOLIN. I would have from the State administrator the intent as it is outlined in this section. My concern is the same as Ms. Wills' which is the question of how do you enforce it even though we have essentially the same intent when there were provisions, presumably regulations, to prevent the replacement of public employees with CETA employees or would use CETA dollars for the meeting of public payrolls.

There were experiences, and we went through several in Michigan. We were able to resolve them. Frankly, in the spirit of the act, I think the fact to be recognized here is that there is the potential for someone to attempt—there is a potential for an effort to be made to substitute. I think a protection against the type of substitution provision is credible.

What this contains is the question of how the Federal and State agencies as well make sure this intent is complied with. I don't see it as a problem. I think it is a challenge that has to be met.

Mr. **Lerman**. I think it varies. I would have to say that from our experience we have had very little difficulty in Wisconsin with the maintenance of efforts question. Part of the reason is the way we have structured ourselves. We have set up what we call an early warning system involving public employees' unions. We are a fairly well organized State, but we have not avoided problems. We have minimized them. We have met problems head-on and resolved them at a local or State level. There has not been that kind of substitution as may have been in other parts of the country.

Mr. **Hawkins**. Mr. Sarasin.

Mr. **Sarasin**. Thank you, Mr. Chairman. I really have no questions. I would like to thank the witnesses for a very indulgent presentation.

Mr. **Lerman**. I hope you got my letter.

Mr. **Sarasin**. It is good to see you again. You have been most helpful to this committee in the past. I think the contributions that have been made by the panel are very worthwhile. You are the best ones to advise us on these pitfalls, if there are any, and areas of improvement. You have made a great contribution.

Mr. **Lerman**. I would like to introduce the members of the Leadership Council.

[The list of the leadership council members follows:]

Jim Wittle, Pennsylvania
Ed Feavor, Florida
Bruce Cornett, Iowa
Bruce DeRosier, Montana
William Vandensoech, Arizona

Mr. **Hawkins**. We acknowledge their presence and express our appreciation for their attendance.

Mr. Le Fante.

Mr. **Le Fante**. I have no questions, Mr. Chairman. I would like to comment, after glancing through your testimony, I think you are right on target. It is going to be most helpful to us.

Mr. **Hawkins**. Mr. Weiss.

Mr. **Weiss**. Thank you, Mr. Chairman.

I guess I have one question in the area of the 50-50 or 80-20 split. Although maybe in Wisconsin you have been fortunate and in Michigan you have been able to control it, in New York we have been undergoing a very severe problem and the people who felt this were the ones who were intended to benefit from CETA who have been complaining bitterly that, in fact, the program has been used to rehire people that the city had to lay off, not because it wanted to but because it had no other choice.

On the other hand, the public service employees people have been saying what is going on is the Federal Government is giving more money to hire people who have not been working and at the same time laying people off. So for us it has been a very real problem.

This subcommittee held a hearing in New York recently. One of the aspects that was pointed out to us is that the established bureaucracy, city or State, finds it very easy to take the path of least resistance, that you don't really have innovative programs, and in fact the city must rely on the bureaucracy to do it for them.

The best testimony we had was from young people who had been getting help in programs of various kinds, many of which are very successful and they act outside of CETA. My question really is, if you allow that to be 80-20, with the 80 at the local level, are not you really guaranteeing that there is going to be no innovative program, which may in the long run help the young people who are intended to be helped by the programs?

Ms. WILLS. If I could take a crack at that, I am not sure there is frankly anything magical about 80-20. That is the pattern that is already established in other parts of CETA.

If you will excuse me, I will take this opportunity to back up on something I failed to mention earlier, and that was to talk about the State set-aside we are suggesting. I think we have three sets of problems, unique kinds of State responsibilities, the bill is currently silent.

First of all, in terms of a specific targeted population will be those in the correctional institutions, and those are the children and young people who are adjudicated youth, wards of the State, also the wards of the State in protective services, be they there because of child abuse reasons or whatever else, we do have to be very conscious as we are developing the legislation they too are served. Somebody—and right now it is the State government that is responsible for them.

There is another kind of question in terms of State government responsibility. We often talk about the need for more information. The youth need to know what the career options are. This is basically the responsibility of the school system. In America, the school system is a State administrative bound structure.

I think also the State employment service mechanism which has unique responsibilities for developing labor market information, should be shared at the sub-State levels. They need to be more creative in how they share their information with young people within the ages 14 to 22. I think the State there has unique responsibilities in that area.

The 50-50 problem in terms of what is innovative, if we are concerned that what we want to do is to assure that local prime sponsors provide access to a variety of organizations to participate in the program, I think that is one issue. I think that is a legitimate issue.

If we are concerned about a mechanism that currently, as I understand it, has suggested a 50 percent formula allocation, then 75 percent of the 50 percent goes through a project application process, through the local prime sponsor system. Frankly, I think we are skirting the issue of what we are saying. If you want to assure that other organizations have a chance to participate in the system, say so,—the formula does not do that.

When I said somewhat facetiously that Congressman Sarasin had come up with a more innovative bill than I have seen in a long time, I am being very honest. I do not know what the word "innovative" means. I know to establish alternatives in high school for young people is part of the answer. That may be innovative.

The pre-CETA days got us into the project application process. Do we want CETA system also as a project application process?

When the Department of Labor talked about innovative and demonstrated effectiveness, I have been waiting to know what they mean. You are not the right ones to answer that, I am aware. I don't know what they mean by "innovative and demonstrated effectiveness". That is not necessarily an answer to your question. I am not sure four different project application mechanisms, with the attendant administrative cost attached to that, the bookkeeping and the auditing costs attached to that, and that would complicate the bookkeeping process. It would not be helpful.

Mr. Lerman. I am a little familiar with part of the problem in New York, particularly of New York City. As I have been with Mr. Hill and a number of others, even though I sit 1,000 miles away, I think the problem really lies with the Department of Labor and goes back to pre-CETA days as well.

If the Department of Labor, in its regulatory functions of these programs, carried on its responsibility correctly in monitoring what goes on at the state level and uses the punitive powers correctly, it has the authority within the act to do so, then we can handle the questions of the city of New York and other kinds of problems. We have the problems in our State, too.

We believe that there is more innovation on a local level because people do understand their needs better and can design programs to fulfill the requirements that they need within a given local prime sponsor area and within a State, which does have other kinds of tax authority to make that possible, and to leave it at the present 50-50 arrangement is in a sense really to rob those people who need it the most.

If there is a police effort to be made, then let the Department of Labor use its power to do so. If not, let them do what has happened in New York. You go into the courts and let the courts settle the issue.

Mr. Weiss. Thank you very much. Thank you, Mr. Chairman.

Mr. Hawkins. I know there are many questions we have not answered with respect to set-asides; also to what extent the Sarasin concept can be included in this proposal has not been fully explored. I think, Ms. Wills, your office is in the city, is it not?

Ms. Wills. Yes, Mr. Chairman, it is.

Mr. Hawkins. Suppose we use you as a contact person to see what suggestions we can come up with and how those ideas can be developed. We have to do it within a week's time. So if you want to be innovative, this is one of the ways to do it.

I thank the witnesses for a very constructive presentation. Thank you very much.

Mr. Hawkins. The next witness is Mr. Bernard Anderson, professor of industry, Wharton School, University of Pennsylvania, Philadelphia.

Dr. Anderson, we are pleased to have you again as a witness before the committee. You have become almost a witness emeritus. We welcome the contribution you make.

Your statement, in its entirety, will be entered in the record at this point, and you may proceed any way that you wish. I would suggest that you summarize if you are able to do so.

[The statement referred to follows:]

Statement of

Bernard B. Anderson
The Wharton School, University of Pennsylvania

before the

House Subcommittee on Employment
Opportunities, April 22, 1977

on

H.R. 6138, "Youth Employment and Training
Act of 1977

Mr. Chairman and members of the Subcommittee, I am pleased to have the opportunity to share with you my views on the labor market problems of youth, and the public policy recommendations contained in the Administration's youth employment and training bill.

Youth unemployment is a major domestic issue on which the views of many observers differ significantly. Some persons deeply concerned with the persistently high rate of unemployment among youth urge strong measures for job creation as a solution to the current problem. Others equally concerned with the increasingly unsatisfactory transition from school to work prefer a wide range of educational and labor market services to improve the employability of youth.

The current interest in youth employment seems likely to produce new legislation this year, but it is important that such initiatives be based on a full understanding of the dimensions and complexity of youth participation in the labor market. There is an old Talmudic proverb that says "if you don't know where you are going, any road will lead you there." I think in developing legislation to deal with youth unemployment, both the ultimate goal and the devices for achieving the goal should be weighted very carefully.

Some Aspects of the Problem

Much statistical evidence can be offered to describe the labor market experiences of youth. But, statistical measures, such as unemployment provide, at best, an incomplete picture of youth employment problems. The numbers will not convey the reduced sense of self worth, the dashed hopes and dreams, and the pervasive alienation that can develop among youth when joblessness leads them to believe they can make no useful contribution to society. In many ways the noneconomic cost of youth joblessness might impose more serious consequences on society than the narrowly measured economic cost of high unemployment and lost income.

Still, although the numbers might not tell the full story, the labor force statistics on youth provide important information useful for legislative purposes. The following overview of past trends and current status of youth in the labor market highlight some of the major elements in the youth employment dilemma.

1. The unemployment rate among young workers is considerably higher than for the labor force as a whole. In 1976, when the average overall unemployment rate was 7.7 percent the rate was 19.0 percent for persons aged 16-19, and 12.0 percent for those 20-24 years old. Unemployment rates among black youth are particularly high: on average almost two of every five black teenagers (38.2 percent) was unemployed in 1976, as was one in five black youth (22.7 percent) between 20 and 24 years of age.

2. These patterns are not new. During the past several decades, unemployment rates for teenagers have ranged between 2.3 and 3.5 times as high for the labor force as a whole. For youth in their early twenties, the corresponding ratio has ranged between 1.2 and 1.7.

   The relative unemployment situation of teenagers has worsened somewhat over time. Between 1954-59, when total unemployment averaged 5.1 percent, teenage unemployment was 2.5 times as high; for the six-year period 1969-1974, which had the same aggregate unemployment rate, the teenage rate was three times as high. Almost all the worsening in the relative position of teenagers was concentrated among blacks, whose unemployment rate relative to everyone else increased from 4.1 times as high in 1960 to 5.9 times as high in 1974. There has been no corresponding worsening of the unemployment rate for youth in their early twenties; their unemployment rate has remained at about 1.6 times the overall rate during the past two decades.

3. The employment problem of youth have been exacerbated by the rapid growth in their numbers. Between 1960 and 1975, the number of youth aged 16 to 24 rose by nearly 70 percent, or more than triple the increase in persons over 25. The youth segment of the labor force grew from 17 percent to 24 percent during the same period. Despite the increasing number who remain in school longer, the labor force participation rate for the 16 to 24 age group rose from 56 to 65 percent. But the trend for the group at large conceals important racial variations. For example, from 1960 to 1975, the participation rate among whites aged 16 to 19 rose from 49 to 58 percent, while that among black teenagers dropped from 46 to 42 percent.

4. Most unemployed young workers are enrolled in school, and are seeking part-time jobs. In October 1975, slightly over half the teenage labor force (52 percent) and almost half the teenage unemployed (49 percent) were in school. Among those 20-24 years old, 16 percent of the unemployed were in school.

   High unemployment among students may reflect the temporary nature of some of the jobs they hold, their need for special hours or types of work, or perhaps their unrealistic aspirations. We know very little about the latter factor, but it may be an important consideration.

5. Youth out of school tend to have higher unemployment rates than for students. Some are school dropouts and others are graduates who are seeking jobs. Dropouts have difficulty finding jobs because employers prefer persons with better educational qualifications; graduates need time to find a job of their choice.

   Much of the unemployment for these groups is attributable to their very high rates of mobility. Between 1966 and 1968, over half of all out-of-school employed young men made at least one change of employer and more than one in seven had made at least three such shifts. Youth change occupations rapidly, and also shift between geographic areas frequently.

6. Despite their higher incidence of unemployment, youth are not usually unemployed for long periods of time. Two-thirds were unemployed less than five weeks in 1975, a year of relatively high unemployment. Usually when they cannot find jobs, youth stop looking and withdraw from the labor market. This factor distinguishes their labor market behavior from that of adult men. Adult women, however, show a similar pattern of in-and-out of the labor force. This partly explains the higher unemployment rates of teenagers and women compared with adult men.

7. Part of the higher-than-average unemployment rates among youth is attributable to their relative deficiencies in skills, work experience, and perhaps, seriousness of purpose. Work experience makes workers more attractive to employers, as reflected in the positive relationship between age and earnings. Some evidence on the impact of "seriousness of purpose" is that unemployment among married teenagers and young adults is much lower than for single persons with the same work qualifications.

8. The higher unemployment rates of black relative to white youth partly reflect their disadvantages in educational attainment, geographic locations, and social service support. Discrimination, however, plays a major role in limiting the employment of black youth in better jobs. An especially difficult problem for black youth is their heavy concentration in inner-city ghetto areas where there has been a constantly dwindling number of semi-skilled jobs of the type inexperienced young workers normally fill. Inner city youth are also hurt by the failure of public school systems to adequately teach basic skills of reading, communication, and quantitative methods. Data for 1976 showed a staggering rate of unemployment at 42.4 percent for young blacks in central cities. Yet the number of such persons, 188,000, was well within a range in which public policy responses can be very effective.

9. When employed, young workers are heavily concentrated in the occupational groups with the greatest ease of entry for persons with limited experience. Young men tend to find jobs as semi-skilled operatives and unskilled laborers, and young women are heavily concentrated in clerical and service jobs. Young male high school dropouts have an occupational status similar to that of male graduates, but female dropouts seem to be at a competitive disadvantage in comparison with graduates, especially in pursuit of clerical jobs.

As might be expected from their inexperience and concentration in part-time jobs, youth earn low wages in comparison with others. In May 1976, about 55 percent of all young men 16-19 and 72 percent of young women of the same age earned less than $2.50 per hour. The earnings distribution improves markedly for men aged 20-24, but much less so for young women of the same age.

10. While it is difficult to estimate the number of youth in need of specific types of labor market services, the following numbers might be useful:

- Youths 16 to 24 in need of intensive training and employment services--400,000
- Youths 16 to 24 in need of occupational training and placement --800,000
- Youths 16 to 19 who want or need part-time and/or summer jobs --750,000

To some extent, the expected improvement in the economy and the overall reduction in unemployment will help improve the employment opportunities for youth. But if past experience is a guide to future expectations, aggregate employment expansion alone will not be sufficient to correct the upward drift in youth unemployment, and will do little to ease the labor market burden of black youth. In this regard, it is interesting to note that between 1975 and 1976, while total employment expanded by 2.7 million, (or 3.2 percent) and unemployment dropped by 542.00 (or 6.9 percent) the employment situation for black youths remained unchanged. Among youths enrolled in school, blacks had a substantially lower labor force participation rate and over twice as high an unemployment rate as whites. Among high school graduates and dropouts, blacks also had lower labor force participation rates and higher unemployment rates than whites.

Nonetheless, although their situation is not as severe as that of black youth, white middle income youth also face serious difficulties in finding jobs and making a reasonable transition into the world of work. The difference between the status of white and black youth in the labor market can be measured in degree rather than in kind.

Comments of H.R.6138

In developing new legislative responses to the youth labor market problem, several ingredients seem necessary. First, no single solution is likely to be adequate for dealing with the multiple determinants of youth unemployment. Jobs alone will not solve the problem. Instead, a diversity of labor market services in addition to special jobs for youth will be more responsive to the range of employment problems faced by youth in their transition from school to work.

Language should be added to the "Youth Employment and Training" bill to emphasize the importance of manpower services and not simply jobs. Youth participating in programs developed under the authority of the new legislation should acquire valuable knowledge about career opportunities, and begin to establish a foothold in work experiences that will contribute to an improvement in their employment status during the adult years. While work experience programs can be useful, every effort should be made to prevent the expenditure of public funds for wasteful, make-work jobs created in the name of youth employment.

Second, the funds authorized by the new legislation should be carefully targeted to those most in need. Targeting devices are required to accomplish two objectives: (1) to allocate the funds to areas where youth unemployment is most severe, and (2) within each area, to allocate funds for services to youth most serious in need of assistance.

The current bill provides for the distribution of funds to prime sponsors under the CETA arrangement, and also the allocation of funds at the discretion of the Secretary of Labor. This distributional mix has much to commend it. Program funding through CETA formulas will insure the availability of funds for many communities that have developed capabilities for manpower planning and program operation under CETA since 1974. At the same time Secretarial discretion in allocating a portion of the funds will increase the opportunities for funding creative and innovative programs, especially those conducted by seasoned community based organizations.

Additional language might well be added to the legislation to specify participant eligibility by age and family income. My recommendation would be to constrain the age boundaries to 16 through 21 years of age for all program services except those in Part C where the age group for in-school participants should be 14 to 17 years.

Third, as presently written, the bill suggests a large role for governmental organizations or employers and providers of services to youth. In my view, it would be desirable to add language to the bill to enlarge the role of the private sector. Opportunities for the employment of youth under apprentice-like arrangements in private industry can be very valuable for providing on-the-job training in positions with long-term career potential. Although many private firms may be reluctant to hire youth when many adults are still awaiting recall, labor markets will become increasingly tight and requirements for new workers will mount as the pace of the economic expansion increases. Under these circumstances wage subsidies to the private sector to hire and train youth might produce valuable benefits.

At this point, it might be useful to comment upon the impact of on-the-job training and other manpower programs for youth. Most statements about the failure of manpower programs are not based on a careful assessment of the evidence. Our comprehensive review of the literature, and analysis of program operations data for manpower services offeredbetween 1965 and 1972 led us to conclude that:

1. The overwhelming body of evidence indicates that institutionalized training, subsidized private sector on-the-job training, and public service employment improve the economic well-being of participants, and

2. Benefits measured in dollars and cents usually exceed costs, suggesting that the investment of scarce societal resources is profitable.

The evidence shows clearly that programs which emphasized the acquisition of marketable job skills and useful labor market services paid off for both the individuals who received them and for society at large. It is incorrect to say that manpower programs do not work; instead, it would be more accurate to say that programs with good potential for improving the employment prospects of youth were hardly tried during the past decade.

Finally, I would hope the current bill would not be viewed as the penultimate public policy prescription for youth unemployment, but instead, a short-term response that can later be modified to encompass a much more comprehensive approach to youth employment, training, and service opportunities. On other occasions, I have supported the concept of a National Youth Service to assist poorly prepared youth to become productively employed in the regular economy. I remain convinced that the Youth Service idea merits serious consideration. It would include a broad spectrum of the youth population; would emphasize job counseling and training to the fullest extent possible; would be administered through a separate organizational entity in the Department of Labor; and would offer opportunities for young people to be engaged in productive work aimed at the visible improvement of their physical and social environment.

The creation of a National Youth Service would be visible evidence of our nation's commitment to youth, and would enrich the quality of life for young people at a critical time in their development. As opportunities permit, I hope future legislation will move toward the more comprehensive approach to youth development.

STATEMENT OF BERNARD ANDERSON, PROFESSOR OF INDUSTRY, WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA.

Mr. ANDERSON. Thank you very much. Mr. Chairman, and members of the committee, for inviting me to come here and share with you my views on the labor market problems of youth, and the public policy recommendations contained in the administration's proposal for dealing with it.

I won't read the statement in its entirety because of the lateness of the hour. There are a few points I would like to emphasize, however. I am sure some of them have been mentioned before in the hearings, and perhaps other will also be mentioned again by other witnesses.

I am reminded of the old Talmudic proverb, if you don't know where you are going, any road will lead you there. I think, in legislating, in dealing in the area of the youth employment problem, certainly, we would like to know where we are going, and have a very good idea of the kind of mechanisms that would lead us to achieve these objectives that we have in mind.

I would like to begin by saying the youth employment issue is a very difficult and complex issue. If there is one thing I am convinced of, as a result of looking at the statistics, it is that the unemployment rate for youth does not, in any way, capture the dimensions and complexity of the problem.

While it is certainly correct to call attention to the high rate of unemployment among young people, and the pattern of the unemployment rate over time, nonetheless, the statistical measure, such as the unemployment rate, provides, at best, an incomplete picture of unemployment problems. The numbers will not convey the reduced sense of self-worth, the dashed hopes and dreams, and the pervasive alienation that can develop among youth when joblessness leads them to believe they can make no useful contribution to society.

In many ways, the noneconomic cost of youth joblessness might impose more serious consequences on society than the narrowly measured economic cost of high unemployment and lost income.

Nonetheless, the numbers might not tell the full story, I, very quickly, would like to call attention to some of the highlights of the statistical evidence that I think will serve as a backdrop for my comments of the pending legislation.

First of all, the unemployment rate among young workers is considerably higher for the labor force as a whole. In 1976, when the average overall unemployment rate was 7.7 percent, the rate was 19 percent for persons aged 16–19, and 12 percent for those 20–24 years old. Unemployment rates among black youth are particularly high: On average, almost two of every five black teenagers, 38.2 percent, was unemployed in 1976, as was one in five black youth, 22.7 percent, between 20 and 24 years of age.

These patterns are not new. During the past several decades, unemployment rates for teenagers have ranged between 2.3 and 3.5 times as high for the labor force as a whole. For youth in their twenties, the corresponding ratio has ranged between 1.2 and 1.7.

The relative unemployment situation of teenagers has worsened somewhat over time. I think, to some extent, it is correct to observe the unemployment problem for youth has been exacerbated by the rapid growth in their numbers. To some extent, it is related to the attempt on the part of young people in school to seek part-time jobs despite the increasing number who remain in school longer, the labor force participation rate for the 16 to 24 age group rose from 56 to 65 percent. But the trend for the group at large conceals important racial variations. For example, from 1960 to 1975, the participation rate among whites aged 16 to 19 rose from 49 to 58 percent, while that among black teenagers dropped from 46 to 42 percent.

I think it is important, however, to distinguish between the problems of youth in school and those out of school. Most unemployed young workers are enrolled in school and are seeking part-time jobs.

High unemployment among students may reflect the temporary nature of some of the jobs they hold, their need for special hours or types of work, or perhaps their unrealistic aspirations.

We know very little about the latter factor, but it may be an important consideration in their unemployment.

Youth out of school tend to have higher unemployment rates than for students. Some are school dropouts and others are graduates who are seeking jobs.

Much of the unemployment for these groups is attributable to their very high rates of mobility. Youth change job occupations rapidly and they shift between geographic areas frequently.

Despite their higher incidence of unemployment, youth are not usually unemployed for long periods of time. Two-thirds were unemployed less than 5 weeks in 1975, a year of relatively high unemployment.

I think it is important to point out that the higher unemployment rates of black, relative to white, youth partly reflect their disadvantages in educational attainment, geographic locations, and social service support. Discrimination, however, plays a major role in limiting the employment of black youth in better jobs.

I would like to say that to some extent, the expected improvement in the economy and the overall reduction in unemployment will help improve the employment opportunities for youth. But if past experience is a guide to future expectations, aggregate employment expansion alone will not be sufficient to correct the upward drift in youth unemployment, and will do little to ease the labor market burden of black youth.

In this regard, it is interesting to note between 1975 and 1976, while total employment expanded by 2.7 million, or 3.2 percent, unemployment dropped by 542,000, or 6.9 percent, the employment situation for black youths remained unchanged.

Nonetheless, although their situation is not as severe as that of black youth, white middle income youth also face serious difficulties in finding jobs and making a reasonable transition into the world of work. The difference between the status of white and black youth in the labor market can be measured in degree rather than in kind.

I would like to share with you some comments of the pending legislation. In developing new legislation responses to the youth labor market problem, several ingredients seem necessary. First, no single solution is likely to be adequate for dealing with the multiple determinants of youth unemployment. Jobs alone will not solve the problem. Instead, a diversity of labor market services, in addition to special jobs for youth, will be more responsive to the range of employment problems faced by youth in their transition from school to work.

Language should be added to this bill to emphasize the importance of manpower services and not simply jobs. Youth participating in programs developed under the authority of the new legislation should acquire valuable knowledge about career opportunities and begin to establish a foothold in work experiences that will contribute to an improvement in their employment status during the adult years.

While work experience programs can be useful, every effort should be made to prevent the expenditure of public funds for wasteful, make-work jobs created in the name of youth employment I certainly think we should avoid duplicating the failure of the summer youth program, which, I think, has been one of the most abominable waste of public funds that I can think of in many years.

Many of the summer youth programs have not provided any meaningful work experience for young people, and we should avoid duplicating that experience in creating new jobs under this legislation.

Second, the funds authorized by the new legislation should be carefully targeted to those most in need. Targeting devices are required to accomplish two objectives: One, to allocate the funds where youth unemployment is more severe; and two, within each area, to allocate funds for services to youth most seriously in need of assistance.

The current bill provides for the distribution of funds to prime sponsors under the CETA arrangement, and also, the allocation of funds at the discretion of the Secretary of Labor. There was a great deal of discussion of that this morning. I think this distributional mix has much to commend it, although, I think, on balance, I would prefer to have somewhat more funds available at the Secretarial discretion than the present CETA arrangement. In any event, I think we need a requirement for maintenance of efforts to prevent a shifting of funds as the new funds become available for youth.

I think the maintenance of efforts is required in order to be sure these funds are an add on, which is currently, I think, $2.6 billion, rather than merely shifting out of what is being spent, to shift over to the new funds

Additional language might well be added to the legislation to specify participant eligibility by age and family income. My recommendation would be to constrain the age boundaries to 16 through 21 years of age for all program services except those in part C where the age group for inschool participants should be 14 to 17 years.

Third, as presently written, the bill suggests a large role for governmental organizations or employers and providers of services to youth. In my view, it would be desirable to add language to the bill to enlarge the role of the private sector.

Opportunities for the employment of youth under apprentice-like arrangements in private industry can be very valuable for providing on-the-job training in positions with long-term career potential.

Although many private firms may be reluctant to hire youth when many adults are still awaiting recall, labor markets will become increasingly tight and requirements for new workers will mount as the pace of the economic expansion increases. Under these circumstances wage subsidies to the private sector to hire and train youth might produce valuable benefits.

Very briefly, I would like to say a word about the question of the impact of the manpower programs and on-the-job training programs for youth. There has been a debate among economists, and others, about whether or not the type of public experience for youth is worthwhile. We reviewed the manpower programs in existence between 1965 and 1972, and published a rather large book on that subject.

I won't summarize it except to say that the overwhelming body of evidence incidates that institutional training, subsidized private sector on-the-job training, and public service employment improve the economic well-being of participants; and, benefits measured in dollars and cents usually exceed costs, suggesting that the investment of scarce societal resources is profitable.

We conclude that the evidence shows clearly that programs which emphasized the acquisition of marketable job skills and useful labor market services paid off for both the individuals who received them and for society at large. It is incorrect to say that manpower programs do not work; instead, it would be more accurate to say that programs with good potential for improving the employment prospects of youth were hardly tried during the past decade.

Finally, I would hope the current bill would not be viewed as the penultimate public policy prescription for youth unemployment, but instead, a short-term response that can later be modified to encompass a much more comprehensive approach to youth employment, training, and service opportunities.

On other occasions, I have supported the concept of a National Youth Service to assist poorly prepared youth to become productively employed in the regular economy. I remain convinced that the Youth Service idea merits serious consideration. It would include a broad spectrum of the youth population; would emphasize job counseling and training to the fullest extent possible; would be administered through a separate organizational entity in the Department of Labor; and would offer opportunities for young people to be engaged in productive work aimed at the visible improvement of their physical and social environment.

The creation of a National Youth Service would be visible evidence of our Nation's commitment to youth, and would enrich the quality of life for young people at a critical time in their development. As opportunities permit, I hope future legislation will move toward the more comprehensive approach to youth development.

That concludes my formal remarks, Mr. Chairman. I would be happy to answer whatever questions you or the members of the committee might have.

Mr. HAWKINS. Dr. Anderson, I agree so thoroughly with what you have said that I really don't have any questions.

I wish, at this time, to acknowledge the cooperation which you have extended to the subcommittee. You have, on several different weekends, to my knowledge, worked with the staff in this general area. I hope that when we begin a markup—which will be in the next few days—that we will again have the benefit of your counsel and your suggestions, many of which I hope would be incorporated in the proposal before it is actually recommended to the Full Committee.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. HAWKINS. Mr. Sarasin?

Mr. SARASIN. Thank you, Mr. Chairman. I too, would like to thank you for being with us this morning and for the testimony which you have provided. You make the comment in your testimony about the involvement of the private sector, and I share that feeling.

I wonder if you were present when the representatives of the AFL-CIO testified?

Mr. ANDERSON. I was, yes.

Mr. SARASIN. One of the objections they have to the legislation I have introduced was the fact it does involve the private sector philosophy. They are opposed to that. I wonder if you would have any comments on that.

Mr. ANDERSON. I can't share the suspicion of the private sector that might exist in some other areas of our society. Being a member of the faculty of the West Point of American Capitalism, I suppose my view might be somewhat different. Nonetheless, I can understand the concerns of the members of organized labor.

I think, to some extent, their concerns are based on the evidence of the manpower programs of the 1960s—the neighborhood jobs programs, where in many cases, Federal funds were made available to fund the young people, the disadvantaged, in jobs that really were not jobs, and which provided no future.

I certainly disagree with the expenditure of funds for that purpose. That is not what I am talking about. What I am talking about is the fact that 80 percent to 85 percent of all of the jobs in this economy today, and for the foreseeable future, will be in the private sector, and the private sector is the place where most members of the work force learn whatever they do learn.

They receive on-the-job training in the process of working on a job, and it seems to me, that if, in fact, a program can be developed in which firms are given a wage subsidy of some sort, some sort of economic incentive, together with protections which I think could be worked out through the collective bargaining system, to see that employees who are on layoff do not lose their jobs or are not called back because young people are hired.

This is why I think a key element in this is the expansion and demand for labor in the number of industries that I would assume would occur when this economic recovery process gets underway, at a rate of something like 5½ percent to 6 percent, and the GNP growth.

If you have a firm expanding their demand for labor and calling back those who are laid off, at some point, they will have to hire new workers. If they have new workers, the question is, who will they hire? If there is a program available to permit public funds to be used to subsidize them for hiring youth, I think there would be a greater increase in the number of young people, and especially the disadvantaged youth, to get those jobs that are required as the demand for labor increases that would occur in the absence of that type of program. In this sense, I really don't think this is in conflict with what I am suggesting and what is in the interest of organized labor.

Mr. SARASIN. I have no further questions, Mr. Chairman.

Again, I would like to thank Dr. Anderson for his testimony this morning.

Mr. HAWKINS. Mr. LeFante?

Mr. LEFANTE. I thought the testimony was most helpful. I look forward to working with you in the future, Dr. Anderson.

Mr. ANDERSON. Thank you.

Mr. HAWKINS. Thank you, Dr. Anderson. Again, we express our appreciation for your cooperation.

Mr. ANDERSON. Thank you.

Mr. HAWKINS. The next and final witness is Mr. William Heartwell, executive vice president, Interstate Conference of Employment Security Agencies, Washington, D.C.

STATEMENT OF WILLIAM HEARTWELL, EXECUTIVE VICE PRESIDENT, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, WASHINGTON, D.C., ACCOMPANIED BY JOHN D. CROSIER, DIRECTOR, MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY; AND L. DAVID HILBURN, DEPUTY DIRECTOR, MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY

Mr. HEARTWELL. Mr. John Crosier, who has had the opportunity to testify before the committee when the oversight hearings were conducted last year in Boston, will present our testimony today.

Mr. CROSIER. On my left is Mr. David Hilburn, the deputy director of the Massachusetts Division of Employment Security and Chairman of the Administrative Finance Committee.

I would like to submit my formal testimony for the record and summarize it in the interest of time.

Mr. HAWKINS. Without objection, the prepared statement will be entered in the record in its entirety.

[The statement referred to follows:]

STATEMENT BY JOHN D. CROSIER

Director, Massachusetts Division of Employment Security

and

President, Interstate Conference of Employment Security Agencies, Inc.

to

Subcommittee on Employment Opportunities

House Committee on Education and Labor

April 21, 1977

Summary of Statement on Proposed Amendment to H.R. 6138 Youth Employment and Training Act of 1977

H.R. 6138 should be strengthened in the following manner:

1. A section should be added which would provide for job services to high school students, graduates, and drop-outs utilizing the facilities of the Public Employment Service.
2. Discretionary funds should be provided for Governors to develop mechanisms and approaches for helping the least employable youth.
3. Part C - "Comprehensive Youth Employment and Training Programs", needs to be more clearly focused on employability development.
4. The bill should call for eliminating duplication of services between institutions involved in employment and training functions.

Mr. Chairman, and members of the Committee, my name is John D. Crosier, I am President of the Interstate Conference of Employment Security Agencies, Inc. I am also the Director of the Massachusetts Division of Employment Security.

Thank you for this opportunity to present to your Committee the views of the Interstate Conference of Employment Security Agencies on amendments to H.R.6138.

There is no need to review the dismal statistics on youth unemployment. These are well known to this committee and I am certain that our Federal partners in the Department of Labor have done so. State Employment Security Agencies are concerned with and have been working to alleviate problems of unemployed youth for the past four decades. For this reason, we strongly endorse the concepts included in H.R.6138. Moreover, we believe that the amendments which ICESA is proposing will strengthen the bill, will clarify proposed responsibilities, and will improve the chances of young people to obtain gainful and meaningful employment.

Our amendments are focused on the bill's four major defects, as we see them:

1. The absence of an Employment Service role
2. The omission of a discretionary allotment to Governors
3. The lack of a clearly defined focus for the Comprehensive Youth Employment and Training Act, and
4. A clear statement indicating the Congress' desire to eliminate duplication and overlap among the various government entities involved in employment and training services.

A Role for the Employment Service

Section 841 of our proposed new Part D summarizes our concept of State Employment Security Agency responsibilities. It proposes to establish improved employment services to high school students approaching graduation, recent graduates, other in-school youth needing part-time or summer employment, and school drop-outs needing part or full-time employment in suitable, permanent, unsubsidized jobs in the private and public sectors of the economy. We suggest that youth unemployment can be greatly alleviated by facilitating the job search process through the placement, counseling, and related services available at local offices of the Federal-State Employment Service.

The Employment Service represents the principle point of contact between youth and any other employment and training agencies in any given year.

In FY 1976, more than 3.8 million young people under 22 filed applications for work with local employment offices. This represents almost one-third of all new job applicants. During the same period, youth comprised 45% of all individuals enrolled in training by State Employment Security Agencies.

Mr. Chairman and members of this committee, the job of the Employment Service is - jobs - permanent unsubsidized employment. In FY 1976 our agencies found jobs for more than 1.3 million young people. This represented four of every ten placements made for individuals of all ages. Fifty-seven percent of the youth placements were for non-white youth.

Finding work for 1.3 million people in paid employment is significantly more effective than the record of prime sponsors in Fiscal Year 1976 when about one-fourth of youth enrolled in prime sponsor programs were in subsidized work experience jobs.

We agree that in a democratic society provision should be made for government as an "employer of last resort" for those who, for many reasons, are unable to compete in the labor market. However, and I believe our proposed amendments emphasize this, such action should occur only after an individual has been exposed to job opportunities in unsubsidized employment. The Employment Service with its 2,500 local offices and over forty years experience is the unique institution in this country which has this capability.

The Employment Service experience with youth is exemplified by the Employment Service - Cooperative School Program which has been in existence since the mid 1950's This program sets specially selected employment counselors in many of the nation's high schools where it provides vitally needed services to the non-college bound students. In 1963 the program covered nearly 11,000 high schools and served about 600,000 prospective graduates. A survey conducted several years ago showed that because of budget stringencies, the program was operating in about 4,000 of the 20,000 high schools in the country.

In addition to this program the Employment Service has had long experience in meeting the needs of unemployed youth, including disadvantaged youth, through the Manpower Development Training Act, the Human Resource Development Program and the Comprehensive Employment and Training Act. These activities have related to in-school and out of school youth, including:

1. Direct placement assistance
2. Counseling and assessment to help young people make decisions for entering the world of work.
3. Job development
4. Labor market information

Based upon Employment Service experience and capability, given sufficient resources, the Employment Service could be effective in contributing to assisting unemployed youth in the following ways:

1. Improve and expand the Employment Service school cooperative program to high school students and potential drop-outs with the delivery of services such as assessment of skills and potentials, counseling, placement assistance, and labor market information.
2. Strengthen specialized services to youths in local offices.
3. Youth seeking assistance in preparing for or obtaining employment would be directed to a community intake point in a local public employment office where the special youth services are located. From there, after interviewing and/or counseling individuals would be referred to either: employers, CETA prime sponsors for employability development or work experience, Job Corps, or other specialized community agencies.

Discretionary Funds for Governors

Discretionary funds should be provided for Governors who, as the chief executive officers of their States, are in a unique position to foster the development of new mechanisms and cooperative approaches to tackling the multiple problems of the least employable youth. Therefore, we propose a revision which would allow for sixty percent for carrying out the provisions of Part C and forty percent for functions included under "Innovative and Experimental Programs" Section 838 (a). This would require amending Section 833 (d) to allocate forty percent of the funds for activities under Section 838. We recommend that twenty percent be allocated as discretionary funds for Governors and twenty percent for the Secretary of Labor.

Part C - Comprehensive Youth and Training Programs

A major problem with Part C of the bill is that it attempts to be all things to all people, and ignores the potential roles of other service providers.

It authorizes every known manpower service but provides no direction and no structure--only money. The revisions to this Part stress the need for an emphasis on hard skills training coupled with a meaningful employment experience that provides support to the training, as well as income.

The revised Part C is targeted on the least educated and least skilled youth who will have no decent job for many years unless intensive employability development services are provided, hence the change in name for this part to "Comprehensive Youth Employability Development Program."

Duplication of Services

Experience over the past several years, recognized by the Congress, Federal, State, and local agencies involved in the CETA program, that considerable duplication exists between prime sponsors and community based organizations and Employment Service responsibilities in job development, referral and placements. We believe this is a disservice to individuals who need assistance,to employers,and to taxpayers. To eliminate this possibility in the proposed youth legislation, we suggest an additional paragraph (5) under Section 851 (a). This should eliminate duplication and overlap among providers of employment and training services.

Mr. Chairman and members of the committee, despite the more than forty years of cooperative relationships with our Federal partner, the Department of Labor, we believe that the existence and ability of the Public Employment Service in meeting the problems of unemployed youth has been overlooked by the Department in drafting this legislation. We believe that it is both unconscionable and uneconomic to by-pass an organization which has dealt with this problem for many years and has the capability and willingness to work with other employment and training institutions towards the stated goal of H.R.6138. Thank you for allowing me the opportunity to present the ICESA point of view. I would be happy to answer any questions.

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PART C - COMPREHENSIVE YOUTH EMPLOYABILITY DEVELOPMENT PROGRAMS

STATEMENT OF PURPOSE

Sec. 831. It is the purpose of this part to establish comprehensive employability development programs, supplementary to but not replacing programs and activities available under title I of this Act, to enhance the job prospects and career opportunities of young persons in obtaining unsubsidized employment. Through an integrated approach that provides skills training, remedial education, work experience, and supportive services, such programs will be designed to ameliorate the multiple barriers to employment which confront eligible youth who are least educated and least skilled.

PROGRAMS AUTHORIZED

Sec. 832. (a) The Secretary is authorized to provide, subject to such terms and conditions as he deems appropriate, financial assistance to enable eligible applicants (as defined in section 834) to provide necessary services for eligible participants including but not limited to:

(1) appropriate skills training, educational and supportive services designed to enable eligible participants to obtain long-term, stable employment, including:

(A) outreach, assessment, and orientation;

(B) employment counseling;

(C) English as a second language;

(D) remedial education;

(E) institutional skills;

(F) transportation assistance; and

(G) other necessary supportive services; and

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(2) meaningful and productive employment and work experience in fields such as education, health care, social services, recreation, crime prevention and control, energy conservation, environmental quality control, and preservation of historic sites.

(b) To the maximum extent feasible, educational and training services and employment opportunities afforded under this part shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the prospects for long-term, stable employment of persons served under this part.

(c) Services provided under this part shall be linked to those employment services provided under part D, according to regulations established by the Secretary, to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy.

Other Changes

Section 833(a) - Change 50% to 60%
" 833(d) - Change 50% to 40%
" 835(a) - (3) Strike the proviso

Add para (5) under Sec. 851(a) to read:

"will be designed to minimize duplication
and overlap among various providers of employment
and training services."

INNOVATIVE AND EXPERIMENTAL PROGRAMS

Sec. 838. (a) One half of the funds available under section 833 (d) to carry out this section shall be provided to the chief elected officials of the various States to establish innovative and experimental programs that will test new approaches for dealing with the unemployment problems of youth. Such programs shall include, wherever feasible, cooperative arrangements between educational agencies, including junior and community colleges, the State employment service, and CETA prime sponsors to provide special programs and services for eligible participants, including skills training, job experience, counseling and guidance.

(b) The remaining one-half of the funds available under section 833(d) to carry out this section shall be used by the Secretary to conduct innovative and experimental programs for eligible participants for the purpose of comparing various delivery mechanisms and program techniques, services, and settings. With these programs, the Secretary shall determine the most effective and least costly approaches to enhance the prospects of eligible participants for securing employment in jobs through which they may be reasonably expected to advance to productive working lives.

(c) The Secretary shall annually publish the results of the programs carried under subsection (b), and a summary of State projects carried out under subsection (a).

(d) Funds available for distribution under subsection (a) shall be allocated on the basis of the relative number of eligible participants within the State as compared to such total numbers in all States.

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PART D - INTENSIVE JOB SERVICES FOR YOUTH

STATEMENT OF PURPOSE

Sec. 841. It is the purpose of this part to establish improved employment services to high school students approaching graduation, recent graduates, other in-school youth needing part-time or summer employment, and school drop-outs needing part or full-time employment. To the maximum extent feasible, services under this part shall be designed to facilitate the employment of urban and rural youth, including completers of programs conducted under part C of this title, in suitable, permanent unsubsidized jobs in the private and public sectors of the economy.

PROGRAMS AUTHORIZED

Sec. 842. The Secretary is authorized to provide, subject to such terms and conditions as he deems appropriate, financial assistance to enable eligible applicants (as defined in Section 844) to conduct cooperative programs with public and private schools, including junior or community colleges, throughout the Nation. Such cooperative programs will provide eligible participants with the following services:

(a) community-based central intake and information services for youth designed to provide--

(1) comprehensive job opportunity information;

(2) occupational, educational and training information through the State-wide career information systems; and

(3) employment counseling orientation and assessment services leading to an improved understanding of job opportunities and career possibilities;

(b) job development, direct placement, and placement assistance to secure unsubsidized employment opportunities for youth to the maximum extent feasible; on-the-job training where specific skills barriers can be eliminated and other unsubsided employment is not available;

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(c) where no suitable employment opportunities are available, referral to employability development programs, including but not limited to programs operated under this Act; and

(d) other programs and services which will foster the purposes of this part including youth serving youth and joint youth and employer activities such as job fairs, inspection trips and job try-out programs.

ELIGIBLE PARTICIPANTS

Sec. 843. (a) Eligible participants in programs authorized under this part shall include persons who, at the time of entrance into the program authorized by this part, have attained age 16 but not age 22, provided that, pursuant to such regulations as the Secretary may prescribe, persons who have attained age 14 but not age 24 may be eligible participants.

(b) In carrying out the program authorized under Section 842, priority shall be given to those schools and school systems in urban and rural areas in which substantial numbers of students are from low-income families or which experience high drop-out rates prior to graduation, or from which substantial numbers of students are planning to enter employment after graduation rather than to continue further training or education. Equity of access to services provided under this Part shall be accorded to schools and students from rural areas.

FUNDING OF ELIGIBLE APPLICANTS

Sec. 844. State employment services established under the Wagner-Peyser Act shall be eligible applicants for funds available under this part. The Secretary shall not provide financial assistance to an eligible applicant unless such applicant submits a plan for a school-to-work transition program which describes in such detail as the Secretary may require:

(a) a description of the geographic areas to be served, identifying the rural and urban areas included therein;

(b) a description of the population to be served, including the total number of eligible participants residing in areas to be served, the percentage of those eligible participants who are members of low-income families, the percentage of those eligible participants who reside in urban and in rural areas, and percentage of those eligible who are members of minority groups;

(c) a description of the services to be provided, including a description of the applicant's cooperative agreements with State and local educational agencies (as provided in Section 846);

(d) the results and benefits anticipated; and

(e) the funds required to implement the programs, indicating the percentage of funds allocated to urban and to rural areas.

ALLOCATION OF FUNDS

Sec. 845. (a) Funds available for this part in any fiscal year shall be allocated as follows:

(1) 75 percent of the amount shall be allocated on the basis of the eligible participants within the State as compared to the eligible participants of all States; and

(2) 25 percent of the amount shall be allocated on the basis of the relative number of unemployed youth within the State as compared to such numbers in all States.

(b) In determining allocations under this subsection, the Secretary shall use what he or she determines to be the most recent and best available data.

INTERAGENCY COOPERATION

Sec. 846. The Secretary of Labor and the Secretary of Health, Education and Welfare shall enter into a cooperative agreement which encourages State education agencies and local school systems to enter into agreements with the employment service in each State for the provision of services authorized under this part. State and local agreements shall specify the services to be performed, and shall describe the support services which may be provided by the schools. Where practicable, such agreements shall provide that services for in-school youthbe performed at the school site.

Other Change

Designate Part D as Part E

Mr. Crosier. I am testifying on behalf of 53 administrative Office of Employment Security Agencies in the United States, operating in 2,500 offices and who, last year, placed 1.3 million youth at a total cost to the Government of $696 million.

I believe they are interesting statistics to look at in light of the $1.5 billion worth of proposed expense for 200,000 youth.

Mr. Chairman, I would go to the conclusion of my testimony, in the interest of time, and stress what I believe are the more pertinent areas of our concern. As the operator of perhaps a unique institution that has been in place for some 40 years, we recognize that there is constant need and room for improvement. But in all candor, Mr. Chairman, we sit here appalled at the fact that our Federal partner of some 40 years has submitted a bill to this body that is conspicuously lacking in any reference to the Employment Service. If we appear disturbed, it is because we are.

Mr. Hawkins. May I interrupt you just to ask you whether or not you were consulted during any of the preliminary stages?

Mr. Heartwell. I regret to inform you the consultation was lacking. We were given 48 hours to look over the administration's bill. We were given it on a Friday afternoon, with out comments due on Monday morning at 9:30.

In all candor, Mr. Chairman, it was extremely disappointing.

Mr. Crosier. A major part of the problem is part C, in our judgment. It attempts to be all things to all people, and it ignores the potential roles of other service providers.

It authorizes every known manpower service but provides no direction and no structure, only money. The revisions to this part C, stress the need for an emphasis on hard skills training coupled with a meaningful employment experience that provides support to the training, as well as income.

The revised part C is targeted on the least educated and least skilled youth who will have no decent job for many years unless intensive employability development services are provided, hence the change in name for this part to "Comprehensive Youth Employability Development program."

I testified before the oversight hearings when they were in Boston on the entire issue of duplication of services. Experience over the past several years, recognized by the Congress, Federal, State and local agencies involved in the CETA program, have acknowledged there is considerable duplication that exists between prime sponsors and community-based organizations and the Employment Service.

We believe this is a disservice to individuals who need assistance; to employers, who pay the bills; and to the taxpayers, who pay the bills. To eliminate this possibility in the proposed youth legislation, we suggest an additional paragraph (5) under section 851(a), which is a part of our formal presentation. This, in our judgment, would eliminate duplication and overlap among providers of employment and training services.

Mr. Chairman, the Interstate Conference of Employment Security Agencies, and our 5 administrative offices, are happy and anxious to be of any assistance to this committee in developing what we believe is a more comprehensive and coordinated program that will begin to eliminate duplication and do a better job of building the bridge between the educational community and the world of work.

Mr. Chairman, that concludes my formal testimony, in the interest of time. I would be happy to answer any questions.

Mr. HAWKINS. Mr. Crosier, I assume—and I haven't had an opportunity to read the statement, so perhaps my questions would not be intelligent—in view of that fact, as I recall, there have been several suggestions made of the lack of coordination between the present delivery service and that of the Employment Service delivery role.

I assume that most of your statement, or part of your statement, deals with this problem; that is, the absence of the Employment Service's role in the entire program.

Do you see a way of establishing a more coordinated role for the Employment Service to play, and do you see any inherent conflict of this with the CETA approach? That is, do you see a problem of trying to work out a respective role for the Employment Service on the one hand, and the local prime sponsors on the other, without duplication?

Mr. CROSIER. I think we have begun to make significant moves in that direction, Mr. Chairman, as a result of initiatives on the part of CETA and the Employment Service.

But in all candor, I believe that the CETA legislation, in its present form, is ambivalent in addressing the issue of cooperation. If I could be terribly simplistic about it, our approach would be to see the manpower delivery system addressed in some comprehensiveness and the responsibilities that are shared more precisely between us and those that are shared with the various labor people for the on-the-job training and the development of job skills and the dealing with what we will call the support services.

If the Employment Service were asked to make a presentation to this group, it would be along those lines, where when we come to the point of contact with the employer community, in terms of the identification of jobs through the proposed job-match system and the development of on-the-job contracts, we would see that as a legitimate service of the Employment Service. We would see it doing a major part of the intake and would see a comprehensive employment and training responsibility doing what we thought it was intended to do, which is provide the sort of support for individuals on the job market who can't do it on their own.

It may be simplistically stated, but we think we can do a better job, more precisely, dividing the responsibilities of the various responsibilities of the various people who act or interact on the manpower developing scene.

Mr. HAWKINS. What is your local experience with the prime sponsors? Do the people in the Employment Service and the local prime sponsor operations speak to each other? Do you have any consultation or any coordination at all, at the present time?

Mr. CROSIER. Yes, we have an exchange of information, et cetera.

I think, in a number of States, we have significant relationships through the State manpower services councils. If I have a reservation about those individual bodies, they are advisory in nature. This makes it difficult sometimes to have a significant impact. But there is an effort fostered by the Department of Labor to begin to bring the Comprehensive Training and Employment Act folks and the Employment Service folks together, and in most occasions, to talk about the interrelationships of their two groups.

I believe, in the design of the basic Comprehensive Employment and Training Act legislation, that the Employment Service, through some fault of its own, did not play a sufficiently visible role and that we have, by legislation, made it possible to institute duplicate job banks. As a 15-year member of the private sector before entering Government, I am concerned that even today, it is possible for job developers, from the CETA folks, to go to an employer, followed by the Employment Service folks, followed by NACO folks, followed by BIA folks, followed by CAMP agencies; that, in effect, we have made it more difficult for the people who have the ultimate solution for the problem we are facing which is to interact with the Government that it finances. This is of serious concern.

Mr. HAWKINS. Is there any place there is a good model that could be used in drafting any changes, assuming that some were to be considered?

Mr. CROSIER. In my haste to summarize my testimony, I neglected to highlight, in my testimony, the inclusion of a new part D section, which we believe should be added. We believe it addresses that specific concern that you raise there, of coordinating much of what is out there in a more efficient manner than the legislation has, as we interpret it.

Mr. HAWKINS. Certainly, we will review that with great interest. Mr. Sarasin?

Mr. SARASIN. Thank you, Mr. Chairman. Thank you, Mr. Crosier, for appearing before us again.

In our whirlwind of field hearings at the end of last year, Boston was one of the many stops across the country for an opportunity to try to get in as many parts of the problem of the interaction of the Employment Service and CETA. The thing that I was struck with at the very beginning was the fact that Congress forgets there is an employment service out there. When we end up duplicating job matching services in several programs, not just CETA, we forget we have an employment service.

I was rather disappointed to realize that the Employment Service has been a subject of oversight by the Congress on three occasions—once in 1964, and twice before this committee in 1975—since 1933 or 1934, whenever this Act was put into place.

You say in your statement that the agencies found jobs for more than 1.3 million young people, representing 4 out of 10 placements made for individuals of all ages. I wonder how many of those 1.3 million were the result of the CETA referrals; do you know?

Mr. CROSIER. I can't give you that off the top of my head. We can attempt to find out what it is and share it with you, if it is available.

Mr. SARASIN. Am I correct that a recorded placement is a result of at least 3 days on the job?

Mr. CROSIER. It is a litmus test based on guidelines, the referral process, and the term of placement.

Mr. HILBURN. The placement statistics are 1 to 3 days, over 3 days and over 150.

Mr. SARASIN. Do you break it down into other categories?

Mr. HILBURN. One to two days cash was labor, domestic, and so forth.

Mr. SARASIN. Do you have that information with you?

Mr. HILBURN. No, we don't. The Labor Department has it.

Mr. SARASIN. We don't have much contact with the Labor Department, gentlemen.

Mr. HILBURN. The administration bill seems to be creating a duplicate program. They are funding the State and local levels to expand and develop the labor market information programs. But then, again, this bill would seem to have the recognition of that expanded and improved labor market information effort. To many of us who are in the labor market information area, it is a highly technical, difficult area. If it is going to be improved, there should be more surveys and more technical expertise put out.

It is not a thing where we should try and have two completely opposite labor market programs. We ought to make up our minds and have one good one.

Mr. HARTWELL. I would like to emphasize several points Mr. Crosier mentioned. In drafting the legislation, we attempted, first, to bring in the private sector, to involve the private sector more than had been in the administration's bill, and the figure we relate to here is on the 1.3 million to unsubsidized employment.

The second thing we wanted to emphasize is in-school problems of youth. Our new section D does address this, by expanding the present system of school to work, which has been very successful in the past between the Employment Service and the school system, providing counseling, testing, referrals, any type of employability and job placement services that could be provided to those youth who are not going on to college. This has been very successful. Many were diminished because of lack of funding.

The third thing that was brought before the committee was the funding allocation. We feel very strongly that the Governors should have access, inasmuch as they are in a unique position of pulling together in their own States. CETA has a prime sponsor balance of State employment, vocational ed, and other agencies involved. We are recommending a breakdown from 50 percent to the Secretary and 50 percent for the prime sponsors; to 60 percent to the prime sponsors, 20 percent to the Secretary and 20 percent to the Governors.

Mr. HAWKINS. Thank you.

Mr. HILBURN. In response to your question, Mr. Chairman, the legislation that is attached to Mr. Crozier's testimony provides what we think is a model, as you used that word, for coordinating the two delivery systems that the Congress has created.

The amendment contained is to part C, and a new part D is offered.

Mr. HAWKINS. I think your suggestions are very worthy of consideration. I, frankly speaking, am appalled at the idea that we have to pass a bill between now and the 10th of May, at least to get it out of the full committee and to the House. I suspect that some of the suggestions are not going to be given the consideration that they should be given. Whether or not this bill is going to be treated as a purely temporary bill until such time as something much better can be done, I don't know. It depends on the subcommittee.

I can only speak for one individual. It is a tremendous job. I regret that much of the testimony that you have given comes really as something new to me. I didn't attend the hearings, unfortunately, in the field last year, including the Boston hearing, where you testified.

I do hope that we can have some relationship with you in the marking up of the bill within the next few days. We will assure you a full opportunity to be present at the development of the legislation as it goes through the proper procedure. To what extent we will address some of these problems during that time is something which the committee is going to have to determine. We certainly are going to call on you.

Mr. **Crosier.** We are eager to help, and we appreciate that, Mr. Chairman. Mr. Heartwell is here in Washington, so we are available.

Mr. **Hawkins.** Is there anything further?

Mr. **Sarasin.** I would guess if we were to take up CETA, we might look for some recommendations from the Employment Service as to some permanent improvement.

Mr. **Crosier.** We would be pleased to, Mr. Sarasin.

Mr. **Hawkins.** Gentlemen, we thank you.

The committee is adjourned, subject to the call of the Chair.

[Whereupon, at 12:53 p.m., the subcommittee recessed, to reconvene at the call of the Chair.]

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 AND RELATED LEGISLATION

WEDNESDAY, APRIL 27, 1977

House of Representatives,
Subcommittee on Employment Opportunities
of the Committee on Education and Labor
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in room 2261, Rayburn House Office Building, Hon. Augustus F. Hawkins, chairman, presiding

Members present: Representatives Hawkins, Beard, Myers, LeFante and Weiss.

Staff present: Susan D. Grayson, staff director; Steve Juntila, legislative assistant; Carole Schanzer, clerk and administrative assistant; and Jim Stephens, minority assistant labor counsel.

Mr. Hawkins. The Subcommittee on Employment Opportunities is called to order.

The first witness this morning is the Honorable Paul Simon from the State of Illinois, whose reputation precedes him on this committee. We are very please to receive his views on youth employment this morning in connection with bills that have been introduced, including the administration's proposal and related legislation.

It is an honor and pleasure to have you before the subcommittee. The full text of your statement will be entered in the record at this point, and you may proceed to deal with it as you so desire.

[Statement of Paul Simon follows:]

TESTIMONY OF THE HONORABLE PAUL SIMON
MEMBER OF CONGRESS

on

YOUTH EMPLOYMENT AND TRAINING PROPOSALS
BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
U. S. HOUSE OF REPRESENTATIVES
APRIL 27, 1977

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you in support of comprehensive youth employment and training legislation. As you know, numerous pieces of legislation on this subject have been introduced. They encompass a variety of approaches. The important thing is that all these bills recognize the need for constructive and comprehensive action to attack our serious youth unemployment problem.

In January, I introduced H.R. 1731, the Comprehensive Youth Employment Act of 1977. More than 50 Members have cosponsored this legislation. I am indeed encouraged that the Carter administration has adopted some of the approaches to youth employment that are represented in my bill and the bills introduced by my colleagues. It is satisfying to see an example of an administration that seeks to work closely with the Congress in addressing the serious problems we face.

Mr. Chairman, I understand that the administration bill will be used as the draft bill during the Subcommittee markup. The administration's proposal is an effective approach to the problem of youth unemployment, and is a dramatic demonstration to the people of this country that the government hears their calls for constructive action. Nevertheless, there are some suggestions for changing the administration draft that I would like to discuss later in my testimony.

This Subcommittee, with its long-standing concern for the problems of unemployment, can report out an even better bill than the administration's proposal.

As the members of this Subcommittee know, young people in America bear an incredibly disproportionate share of the nation's unemployment. In 1976, the unemployment rate for workers aged 16 to 24 was 14.7%, while for workers over 24 it was only 5.5%. Teenage unemployment was 19%. Youth represented 24% of the labor force, but nearly half of the unemployed. According to the National Commission for Manpower Policy, 3.6 million youths were unemployed at any one time during 1975. Another 600,000 youths desired a job, but had given up looking for one, and 1.3 million young people who were looking for full-time jobs accepted part-time work. If these discouraged and part-time workers seeking full-time work were added to the 1975 total of 3.6 million unemployed youth, the total would be 5.5 million, or an unemployment rate of 35%.

It would be nice to say that this situation will be improved as soon as we have economic recovery. But, it is clear that young people, especially minorities, just aren't going to share equally in the recovery. Economic recession did not cause the youth unemployment problem, it merely exacerbated it.

The real problems are structural. Young people lack the education, skills, experience, proximity to jobs and opportunities needed for work. The youth employment rate has been above the national average for decades. Teenage unemployment has never fallen below 10% since 1953. It's not going to go away unless we do something about it.

We need to provide meaningful jobs to young people while encouraging them to get an adequate education. We need to improve the transition from school to work. We need to target employment and training programs to the young people that really need them--those with limited skills and experience. We need to match young people to the specific opportunities that are available. These are among the goals of both the administration's bill and my bill. While the administration bill is not as comprehensive as some of us had hoped and does not provide as much money as may be needed to solve the problems, it is a good start.

The administration bill, like my own, would add a new CETA title on youth employment and training. Part A of the administration bill would create a national Young Adult Conservation Corps. Young people aged 16 to 22 would be given the opportunity to gain work and training experience on projects in our national parks and forests and on other public lands. They would perform a variety of important conservation tasks.

This proposal, which closely follows the Meeds bill passed by the House last year and Title II of my own bill, is an excellent one. It will provide 35,000 positions over the next 18 months. Young people will get a chance to learn what it is like to have regular employment, and they will develop new positive attitudes toward work. Furthermore, these are not make-work jobs. There is a lot of needed work to be accomplished on our public lands. Nearly 75% of every dollar spent for such jobs under the pilot Youth Conservation Corps program is returned in the value of work accomplished.

There are, nevertheless, some improvements that can be made. Under the administration proposals, any young person would be eligible to participate in the program. While it is valuable to attract a wide variety of youths who can interact with one another, we should place greater emphasis on helping those who really need the jobs the most. At least one-third of the jobs created should be for young people in families with incomes of $10,000 or less. This provision would insure that a significant portion of the funds be for disadvantaged young people while retaining the wide appeal of the program.

It is also important that young people be able to use the skills and familiarity with working they develop in this program in future jobs. Ideally, the experience in the Young Adult Conservation Corps would help them find a job. In order to assist in this process, I recommend that certificates of work be provided when people leave the program. These certificates should describe the work done by the individual. This should increase the employability of young people going through the program.

Part B of the administration bill authorizes Youth Community Conservation and Improvement projects, similar to the Youth Community Service program I proposed. The Secretary of Labor would provide funds to employ 30,000 youths 16 to 22 in community improvement projects such as the rehabilitation or improvement of public facilities, neighborhood improvements and conservation, maintenance or restoration of natural resources on non-Federal public lands. All unemployed youth would be eligible, but the funds would be targeted to areas with unemployment rates above 6.5%. Unemployed youth would get a chance to develop worthwhile skills and experience while performing needed activities.

One of the glaring problems with the administration's Part B is that there is no limit on how much of the money could be used for materials, administrative expenses and supervisory personnel. It is important that the primary result of these projects be to provide jobs and training for young people. A youth employment proposal should help youths, and not have too much spent on support and materials. Language should be included in the bill--such as that in Section 704 of my bill--requiring that no more than 25% of the funds be used for equipment, supplies, supporting services, supervisory personnel or administrative expenses. That way, at least 75% of the funds would be for youth jobs, as they should be.

Even with this requirement, there should also be language strengthening the suggestion in the bill that as much money as possible from other sources be used for supplies and materials. Project applicants should be encouraged to take advantage of other Federal programs so that again we can insure that as much money as available be spent on actual jobs.

Another major defect in Part B is that it does not encourage young people to stay in school or return to school. The community service program seems to be targeted on out-of-school youth. While these people obviously must be helped, we should also encourage young people to stay in school or return to school. Thirty-one percent of unemployed young people are currently enrolled in school, and an additional 23% have dropped out. Unemployment rates are consistently higher for people who do not complete high school, so we should be emphasizing the need for a high school education. A high school degree is often a vital prerequisite for a decent job. The project application requirements in Section 815 of the administration bill should be expanded to include plans to encourage young people to stay in school, and if they have dropped out, to return to school or take high school equivalency courses. Language along the lines of Section 705 in my bill would be appropriate in this regard.

Finally, Part B should be amended so that work certificates are provided, as I suggested for Part A.

Part C of the administration bill has perhaps the most serious problems. It authorizes $900 million for employment and training programs. 138,000 slots are anticipated, and the money is targeted to low-income people. However, there is no emphasis on helping young people stay in school or re-enter high school. As I mentioned above, improving the links between work and school should be one of the major goals of youth employment legislation. The administration has all but neglected this crucial aspect.

I recommend that 50% of the funds in Part C going through CETA prime sponsors be directed toward providing employment, training and supportive services for young people remaining in high school, re-enrolling in high school, or taking high school equivalency courses. Language should also be added that requires plans and applications for funds both under the CETA prime sponsor section and the Department of Labor discretionary section to describe specific efforts at encouraging high school retention, re-enrollment or equivalency. These changes would re-direct Part C's emphasis in an essential manner.

The administration bill also lacks emphasis on funneling young people to jobs in private enterprise. Four of every five jobs in our economy are in the private sector. It is in this area that young people can best hope to find regular jobs. Language should be added to Part C requiring plans and applications to describe specific efforts at placing young people in private sector jobs and training them for private sector employment.

Finally, I would again recommend that work certificates be provided, describing the work done by the person who goes through the program.

Despite the suggestions I have made, the administration bill is an excellent one. It demonstrates that there is a firm commitment on the part of the government to address the problems of youth employment. It is a successful approach and will have demonstrable results.

I want to again thank the Chairman and members of the Subcommittee for giving me this opportunity to testify. I look forward to working together with you in the full Committee and on the floor to insure the passage of an effective youth employment bill.

STATEMENT OF HON. PAUL SIMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. SIMON. Thank you, Mr. Chairman, and members of the committee.

If I may just enter the statement in the record, then, I will make some general comments about this and one other matter that may come before your subcommittee.

I want to express my appreciation, first of all, to the chairman of the subcommittee who has provided, along with Senator Humphrey, more leadership in providing jobs for people than any two people in this Nation. I am grateful to him. I think that this is the direction that we have to be going.

I know that your leadership is going to be joined by our new colleagues, both of whom have made an excellent impression on the House.

Let me get into some specifics, if I may, on the administration's youth employment bill. First of all, on part A, the Young Adult Conservation Corps. It seems to me that we have to have some kind of a limitation in here that at least some of those who are employed come from low income families.

I realize the political realities. It is desirable to have a fairly broad spectrum represented to make the program politically attractive. I recognize also that it is desirable for young people from middle and upper income families to work.

I am just tossing this out as a possibility. For example, you could say that at least one-third of those in part A have to come from families where the family income is $10,000 or less a year. It seems to me that is a very reasonable type of requirement, and at least encourages the employment of some of the young people who really need help.

The second change in part A that I would like to suggest is something that is in the bill that Senator Humphrey introduced in the Senate, and I introduced here in the House on youth employment. Some type of work certificate should be provided. It is a little thing, but it is important. The pay involved for those young people in any of these three programs ought to be not just the dollars, but something on the wall showing that they have beeng contributing. I think that is a good idea.

On part B, the youth community conservation and improvement projects, there ought to be some kind of a limitation on the amount of funds that can be used for administrative purposes and supplies. Here again I am just picking a figure out of the air. I am suggesting 25 percent. Maybe it ought to be 20 percent, or maybe it ought to be 30 percent. Twenty-five percent is somewhere around there, and seems to me to be reasonable.

This would leave 75 percent of the funds for actual wages. We also ought to put some language in there to encourage the use of other Federal funds—as well as State and local government funds—for supplies wherever possible.

There should also be language inserted that project applicants ought to be encouraging young people either to stay in school, to reenter school, or to be taking high school equivalency courses.

The one thing that I don't want to think is that the youth employment programs would be encouraging young people to drop out of school. I am afraid that if we don't put some kind of language like that in there, then this could happen.

Again on part B and part C, I like the work certificate idea.

On part C, 50 percent of the funds going through CETA prime sponsors should be directed toward providing employment, training, and support for services for young people remaining in school, reenrolling, taking high school equivalency tests, or going to trade schools. Again, we want to encourage education.

The one fear I have, as I look over the administration bill, is that there is a danger that we can be encouraging young people to leave school, or not to continue their education. If that were to happen, it would not be a good thing.

I would like to add one other thing, Mr. Chairman, aside from this, that may be coming before your subcommittee. I introduced a bill during the last session, which I was discussing with Dave Solomon of my staff. I am not sure that I have reintroduced it yet this session, and if I haven't, I will.

This is a bill that calls for an experimental program in guaranteeing jobs. I frankly support the Humphrey-Hawkins approach, and if we can move in that direction, I am all for it. In the meantime, maybe at the very least, we could have a bill which says, "In 20 counties of this Nation, we will guarantee full employment on a pilot basis."

My bill calls for 20 counties with 20,000 or less population. So you are talking about limited financial impact. For two years, we guarantee everyone a job. Let us just see what happens.

Some of my good friends, particularly on the other side of the aisle, say that the whole idea of guaranteeing jobs is too expensive. But I would like to see what happens to welfare costs, to unemployment compensation benefits, to school attendance, to the crime rate, to the income tax income, and to the sales tax income if we have full employment.

If we could contain it to 20 geographic areas, I think that it makes a great deal of sense. The 20 counties would be chosen by the Secretary of Labor. There would be an advisory council of 12 labor and business leaders to advise on what projects should be selected, so that we avoid some of the WPA problems. Then, let us guarantee everybody a job and see what happens.

The cost to do that for 1 year would be, in outright cash, less than $100 million. Obviously, a great deal of that would be saved. It may be that there would be no cost whatsoever. I think that we ought to be looking in this direction.

I might add that the bill I had last year had broad sponsorship across the board from the two parties, including John Anderson, one of the Republican leaders. If that bill has not been introduced, I will be reintroducing it soon.

I simply mention this idea as another tool in the whole kit of tools, so that we move in the direction of seeing that every American has the opportunity and the dignity of having a job.

If there are any questions, I will be happy to answer, Mr. Chairman.

Mr. Hawkins. Thank you, Mr. Simon.

I certainly want to commend you for the assistance that you have given to us in the field of employment, and also to commend you on your very creative suggestions. As you know, since we have discussed this several times, I am not opposed to the idea. As I have explained to you, the application of it concerns me to some extent, as to how we could confine it to any specific number of areas to the exclusion of others.

It we could do it constitutionally, and from a practical point of view, that is, could be reserve such an opportunity merely to the individuals or to the residents of an area? One of the things that concerns me is whether we could really do it.

Assuming, however, that we could, I certainly feel that it has great value, or would have great value in demonstrating, in my opinion, what really full employment can do.

The idea of a guarantee, I know, frightens many individuals. We do have pending in this committee at the present time a proposal by Mr. Sarasin which really takes the idea of a guarantee opportunity, and attempts to put it into the youth bill.

We are toying with the idea of some type of acceptance of that idea. I bring this up to ask you whether or not you have had an opportunity to see his proposal. His proposal is an incentive, really, for young people to stay in school through a guaranteed employment opportunity.

So it incorporates in some way the ideas that you have suggested before this committee. It is interesting that two individuals, one from both sides of the aisle, should be, in a sense, making that suggestion.

The committee is considering the idea, and may incorporate, to some extent, on a demonstration basis, as you have suggested, that type of an idea which also may be acceptable. It is not to the exclusion of your idea, but it at least accepts the concept.

As to the other two suggestions, we would think that they are excellent ones. Both ought, to some extent, be discussed with the administration. We would hope that your support of the ideas would be most helpful to us in advancing the administration bill, and doing this to the bill that has been introduced by the administration.

For example, with respect to the income idea that you mention, we have a provision which we are submitting in the Young/Adult Conservation Corps that we would enroll—the enrollees must be from families with incomes at or below 150 percent of the Bureau of Labor Standards index on living standards. This is a little bit higher than you suggested. This would make the limitation in the area of about $15,000.

So, at least, it is going in the direction which you suggested.

With respect to the funds by the prime sponsors, we are also making a suggestion that not more than 30 percent of the allocation to a prime sponsor could be used for Community Improvements, and up to 25 percent of these funds, for supplies and equipment. Again, we are trying to put a limitation. We are in a sense approaching your suggestions.

May I interrupt long enough to introduce the mayor of the city of Los Angeles, the Honorable Tom Bradley, who is with us this morning. With your permission, I would like to ask him to express any views that he may wish to relate to the subcommittee on the legislation under consideration. I am very proud to have my mayor here with me today.

Mr. **Simon**. At one point, he will not remember this, but we were on the National Democratic Advisory Committee that Hubert Humphrey put together back in 1969 or so.

Mr. **Bradley**. I remember, and I was just a child then.

I just dropped in to say hello, and I will come back after I attend this other hearing. I did not want to interrupt. I did not have anything to say. I know that you will take care of business very well.

Mr. **Hawkins**. Thank you very much, Mayor Bradley. We are very pleased to have you.

Congressman Simon, what I am suggesting is that we are, in a sense, accepting your idea. We certainly have tried to relate somewhat the points that you have brought up with respect to either suggestions that we seem to be making also.

I have no questions.

Mr. **Simon**. If I could comment.

First of all, we are obviously moving in the same direction. I think the Sarasin proposal does make sense, with some modification. It does touch on this area of encouraging school attendance.

On the experimental thing, on the constitutional question, it seems to me it would be OK if we say that we guarantee jobs to everyone in 20 counties, that they have to be residents of those counties when the bill is enacted, but that it is a pilot project. Other pilot projects that we have had were limited in geography. There have not been any constitutional questions on pilot projects.

Now if we enact legislation on a permanent basis, that is a different thing. We have to recognize what unemployment does. If I may take my district, for example, I have two counties with exceptionally high unemployment. One county, Alexander County, has 27 percent of the population on welfare, and another county, Polaski County, has 29 percent of the population on welfare. That is not good for those counties, and it is not good for America.

Yet, these are counties where we ought to be planting trees, where we ought to have day care centers, where we ought to be turning the liabilities that are now there on the part of people who want to work, and who want to contribute something into assets.

With a little imagination we can do it. We did it in the WPA days. We can do it if we follow the Humphrey-Hawkins bill. I think that within the framework of our Constitution, and the court decisions, we can do it as a pilot project.

Mr. **Hawkins**. Thank you very much. Mr. Le Fante.

Mr. **Le Fante**. Thank you, Mr. Chairman.

Paul, with regard to that pilot project you were talking about, it sounds very exciting. I agree with you, I think that along those lines it could be done.

With regard to the criteria, you made mention of two counties that you have in your district. My home county has an unemployment rate of 15.2 percent and a welfare rate of 32 percent. Yet, would that be criteria to establish a pilot project within that county, in your mind?

If we are going to leave it to the sole discretion of the Department of Labor, what guidelines or specifications should we provide for them in considering this, just the population of 20,000 or less?

Mr. SIMON. My reason for saying 20,000 or less was that it limits the financial cost. Realistically, if we can come up with a program that will experiment in the job field, and prove to some of our friends that their fears are unwarranted, then I think that we have a chance of doing something. That is the reason for the 20,000 or less population.

The only criteria we put in there is that they have to be counties of high unemployment.

Mr. LE FANTE. How about high, high school drop out rates.

Mr. SIMON. I am willing.

Mr. LE FANTE. That is what we are concentrating on, the youth between 16 and 21. Maybe we can incorporate something along those lines.

Mr. SIMON. I would be very pleased to accept that kind of an amendment.

Mr. LE FANTE. I respect your opinion, and I would like to ask you this question. Witness after witness that has appeared before us, and as you have made reference to paragraph 2 of page 7, the language should be added to part C requiring plans and requiring specific efforts in placing young people in private sector jobs, and training them for private sector employment. That seems to be the mood and the theme of every witness that has appeared before this subcommittee.

Yet, I have seen to this date no specific plan on how it should be done. Some talk about tax credits. Some talk about special considerations along business tax lines. But there is nothing specific on the surface.

I would be interested in picking your brains a little bit, and see how you feel about it.

Mr. SIMON. I really think that if we make clear that it is part of the sponsors' responsibility, we can move in this direction. If I may use an illustration from my district, and I am sorry to be doing that all the time——

Mr. LE FANTE. That is the best way to get to it.

Mr. SIMON. They were going to build a ranger station in the Shawnee National Forest in my district. It was to cost—as I recall and the figures are not going to be accurate here, so anyone who reads the record will have to check this out—about $120,000.

We got together with the carpenters union, and the painters union, and said:

> How about putting some people to work who are on unemployment compensation, who are on welfare, but who want to be working. We will employ carpenters union employees and painters union people as supervisors. Then, we will see what we can do.

That house was built for a little over $40,000. During the process, 74 persons went from that project over to work in the private sector because the encouragement was there, and the very fact that they had jobs and were working was an incentive. An employer does not like to hire somebody who says: "I have been out of work for 6 months." The employer must think that the person is lazy, or something like that. Something like that goes through the mind.

Mr. **Le Fante**. It was an effort to hire after a probationary period.

Mr. **Simon**. They were learning something, they were learning work habits among other things. How we encourage this, I don't know.

I think the point ought to be made that the people who do employ those young people ought to be aware and conscious and encouraging young people not just to obtain Government employment, but to move over to the private sector.

We may have to do some experimenting in that line. The alternative—just leaving young people unemployed—I find totally unacceptable. That is not going to encourage any movement into the private sector.

Mr. **Le Fante**. How could we approach companies such as General Motors, or Exxon, or General Foods, other than with the tax credits?

Mr. **Simon**. Tax credits, I am really not that wild about the tax credit thing. I frankly supported Representative Holtzman yesterday in her motion to knock out the tax credit provision.

I think that to some extent we can be encouraging corporations to use their sense of civic responsibility. I really think that it is as good an incentive as any tax credit. Plus those corporations are paying part of the welfare taxes. They are paying part of the unemployment compensation taxes.

So if we can encourage people to move in and be employed rather than be unemployed, they are benefitting financially, in addition to doing their civic responsibility.

Mr. **Le Fante**. I sure wish it worked that way.

Mr. **Simon**. I think it can.

Mr. **Le Fante**. I have a situation right now with the Westinghouse Corp. which is presently moving all of its operations out of New Jersey. They announced that they are going to take some 5,000 employees out of the area, out of the State.

In my discussion with them, they just very frankly, and very deliberately took a position of their responsibility to the stockholders. The only thing that the stockholders are interested in is the profit margin. Other than the profit margin, they could not under any circumstances justify the move.

They are going into an area that has induced them down with certain tax credits in real estate. They are going into an area that has nonunion help. All of this looks very attractive to them.

However, they have been in Jersey City for 22 years manufacturing elevators and escalators, and some other equipment. We have tried that civic pride approach. We have had the chamber of commerce in, and the United States Chamber of Commerce where we have some friends trying to induce them to remain. We even had the mayors of the various towns willing to make concessions to them with regard to real estate, parking lots, et cetera. It is not working.

So it sounds good, and I, for one, happen to think the way you do. I agree with you. We just cannot reach the stockholders because all they are interested in is the profit on their investment.

Unfortunately, they are taking it from an area that already has a 15.2 unemployment rate, and moving into an area that has about a 7 percent unemployment rate, below the national average.

So you can see where they are robbing Peter to pay Paul.

Mr. SIMON. I think that it also points out the shortsightedness of our failure to repeal 14(b). I don't think that we can have gross disparities in wages within our country without hurting the country as a whole.

Mr. LE FANTE. Ironically enough, Congressman, this is the same company whose total volume of production, 32 percent of its total production is Government contracts. So we are partners with them whether we like it or not. We are just as guilty as they are, and we will have to do something about it.

These are all the questions I have.

Mr. WEISS. I have no questions. I just want to say that I am always glad to have Congressman Simon appear before us. Thank you.

Mr. HAWKINS. You have the views of the Chair as well. Paul, we certainly want to thank you for your contribution, and we would like to work with on the suggestions that you have made before the subcommittee. You are certainly going to be a part of this contract that we hope to make with the youth.

Mr. SIMON. Again. I applaud your leadership. Let me add one other thing. Dave Solomon of my staff is behind me here. He is the person who has actually been doing the work in this area, and I appreciate his efforts also.

Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you.

Mr. LE FANTE. Thank you, David.

Mr. HAWKINS. The next witness is Mr. William B. Welsh, Executive Director for Governmental Affairs, American Federation of State, County and Municipal Employees, AFL-CIO. He is accompanied by Nanine Meiklejohn, Legislative Representative for AFSCME.

We welcome both of you. Without discriminating suppose that we will call on Mr. Welsh first.

STATEMENT OF WILLIAM B. WELSH, EXECUTIVE DIRECTOR FOR GOVERNMENTAL AFFAIRS, AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO

Mr. WELSH. The proper relation is that I will read an abbreviated statement, and Ms. Meiklejohn will be available to answer all of your tough questions.

Mr. HAWKINS. We do have your prepared statement, which will be entered in the record in its entirety, at this point.

[Statement of William B. Welsh follows:]

Statement of
William B. Welsh, Executive Director for Governmental Affairs,
American Federation of State, County and Municipal Employees, AFL-CIO
Before the
House Subcommittee on Employment Opportunities on H.R. 6138,
Youth Employment and Training Act of 1977

Mr. Chairman and members of the Subcommittee, I am pleased to appear here today on behalf of the 750,000 members of the American Federation of State, County and Municipal Employees who work for state and local govenments. With me is AFSCME legislative representative Nanine Meiklejohn. We appreciate this opportunity to testify on H.R. 6138, the Youth Employment and Training Act of 1977.

Chronic high unemployment among teenagers and young adults is a national problem which clearly demands federal attention. It is a complex problem that has some characteristics which are unique and others which are identical to the adult unemployment problem. Its unique features are the failure of the educational system to hold onto many young people; the sheer number of "baby boom" children reaching maturity and seeking their first jobs; and the lack of an effective transition from school to work. The employment problems which young people share with unemployed adult workers are a sluggish economy which fails to generate enough jobs for all who want jobs; deterioriating local economies especially in the industrial cities of the northeast and midwest where both private and public sector job opportunities are shrinking; and technological and structural changes in the kinds of jobs that are available.

H.R. 6138 provides a useful mix of different programs to address the many aspects of youth unemployment. Part A creates conservation projects on federal and non-federal lands; Part B creates community improvement projects, including low-income housing rehabilitation and restoration of non-federal public facilities and lands. Part C creates jobs and work experience activities in a wide variety of occupations in addition to providing authority to explore more effective ways of facilitating the transition from school to work. It appears capable of serving both in-school and out-of-school youths, although in-school programs and back-to-school programs could be emphasized more clearly.

The Administration plans to put a large percentage of available funds in Part C. We support that decision because it will permit experimentation with many different ideas.

An important feature of H.R. 6138 is direct job creation, mostly in the public sector. As such, the bill will create public service jobs and work activities for young people which are very similar, if not identical, to CETA Title II and Title VI jobs and activities. Since its inception, the members and staff of AFSCME have lived with CETA on a daily basis. Our experiences with CETA lead us to the following general observations and conclusions about federal public service jobs creation.

Giving state and local governments federal money to create public jobs, whether they are individual or project jobs, has an inevitable effect on the employment standards of the regular workforce and on local fiscal decisions. The natural inclination of prime sponsors is to build the federal money into their budgets. In the least extreme cases, they use the federal money to create jobs that they would have created anyway, or they refrain from filling vacancies in their regular workforce and rely on the federally-funded workers instead. In the more extreme cases, layoffs occur and attempts are made to use federally-funded workers to do the work the laid-off workers had performed. In addition, prime sponsors have tended to create a separate class of workers out of CETA workers and provide rights and benefits that are less than those regular workers receive. The

CETA workers then become a permanent lower class of public employees. As the number of permanent employees declines, CETA workers make up a higher and higher percentage of the prime sponsor's workforce. The end result is not only substitution but an erosion of labor standards in the public sector.

"Work experience" under CETA, which is very similar to the activities authorized under Part C of H.R. 6138, has operated in the same fashion. Under the guise of creating "training activities", prime sponsors give participants substantially fewer rights and benefits. However, enrollees often end up performing as full-time regular workers within a few months, but they continue to be denied equal rights and benefits, including promotional opportunities. Vacancies in the regular workforce are not filled as "work experience" participants are used instead.

Transition to permanent public or private employment under CETA has not occurred to any great degree partly because of limited job opportunities, especially in localities with depressed economies, and partly out of the simple negligence of the prime sponsors. CETA participants have tended to stay in CETA jobs, and CETA jobs have become viewed as a relatively permanent, if not always an integral, part of public employment.

Thus we now have a public sector workforce which consists of four layers, all governed by different rules, even where workers are doing the same work. These layers are: collective bargaining contracts where bargaining exists; a confusing array of civil service merit systems, which may conflict with the union contract; informal patronage systems; and CETA, which may or may not be integrated into any of the other layers.

This rather chaotic condition of different personnel systems governing people who work for state and local governments has had some unfortunate consequences. Many CETA workers who are segregated from the permanent system become impatient over their lack of opportunity to be treated as regular workers with all the accompanying rights and benefits, ~~including promotional opportunities~~. Regular workers feel threatened by the presence of a separate class of employees who may or may not be members of an existing bargaining unit. ~~On the one hand, they are fearful that CETA workers will get special treatment or take their jobs; on the other hand, they feel that the presence of CETA workers will tear down their protections and employment benefits.~~

There is no doubt in our minds that, unless carefully designed and administered, H.R. 6138 will result in many of the same kind of practices. If we are not careful and ingenious we will simply be adding a fifth personnel system to state and local governments. Substitution will continue, only this time it will be young people replacing older workers. If special training is provided to young people it will be not only the regular workers but also present CETA workers who may feel resentful that they are not getting the same help.

The question then is how can we assure that the youth employment and training program will be truly beneficial to the participants? How do we assure that the program responds to the many different needs of young people including counseling, training, and education, in addition to job opportunities? How do we prevent participants from becoming simply another lower class of public workers? How do we protect the job security, rights and benefits of regular workers? How can we minimize substitution?

AFSCME believes that there are a number of essential requirements to assure real benefits to the participants, minimize substitution, and protect existing employment standards.

First, any youth employment program must contain strong labor standards which include: maintenance of effort requirements; promotional rights protections; union comment provisions; and compensation, benefits and rights for program participants which are equal to those similarly employed.

Part D of H.R. 6138 contains such protections. We would strenuously oppose any weakening of these provisions. We particularly would oppose any weakening of the wage standards under the bill. In fact, we are not very happy with the minimum wage standard under Part A. Our reasons are two-fold. Based on our experience of the past several years, we are convinced that a substandard wage will encourage unnecessary substitution. In addition, a minimum wage standard will result in an inequitable situation in which a young adult working in a state or local park under this program gets a lower wage than another young person doing the same work under Title I, II or VI of CETA.

A second essential requirement is strong federal involvement in the program. H.R. 6138, achieves this by establishing a grant application procedure for distributing all of Parts A and B and half of Part C funds. We support this procedure and oppose the proposals that have been made to make more of the program funds available to prime sponsors on a formula basis. We especially support the 50/50 split under Part C.

There are several reasons why a strong federal presence through a grant application mechanism is necessary. The issues of substitution and substandard working conditions are even more sensitive under a youth employment program than under CETA. Strong federal involvement will provide a better check on prime sponsors to assure that they do not, as a result of lack of imagination or fiscal considerations, simply substitute a new lower class of youth workers for regular workers.

Under Part C, a grant application procedure can allow the Labor Department to arrive at a good national mix of experimental approaches to the problems of youth unemployment. Tighter control and more competition will stimulate the development of better quality, more diverse and innovative programs while still permitting ideas to flow up from the local level.

The grant application procedure also provides a better chance for the development of useful work activities which truly accomplish that would otherwise not be done, and do not threaten the job security and employment standards of regular workers, or create hostility toward the program. For example, we might avoid a situation in which New York City might simply put low wage young people to work on its parks under Part A or B while 3,000 regular parks employees are on layoff. Alternatives, such as work on state and Federal parks near the city or clearly-defined neighborhood improvement activities might be developed instead. Then, as vacancies occur in the Parks Department, they can be filled with local funds by workers on layoff instead of by youth participants in the federal program.

A third important element is effective union involvement. This cannot be achieved, however, merely by giving a local union the program plan for comment after the program already has been developed. Public unions should be consulted in the development stage.

There are a number of reasons why union involvement is desirable. Public unions are the natural ally of the Federal government on the problem of substituion. In addition, local unions can provide helpful suggestions on developing meaningful part-time and full-time work experiences. In some places, local unions have training programs for their own members that can be adapted to a youth program. With union involvement and support, the membership is likely to have a more positive attitude toward the program participants and be more willing to work with and help them. In addition, we believe, that with very careful planning, youth programs in the public sector can be a catalyst for developing meaningful career ladders which can benefit not only the young people but also regular workers. AFSCME is quite willing to work with the Labor Department on such programs.

We believe, Mr. Chairman, that H.R. 6138 should be regarded as an experimental program designed to teach us different ways of dealing with the different needs of unemployed young people: those who should be encouraged to finish school; those who need employment counseling; those who need skill training and job experience to enter the job market; and those who are job-ready and simply need a job. The program should test different ideas, such as requiring participants to go back to school or get a GED in order to have a job funded under the program and developing more on-the-job-training activities in the private sector. We need to find out whether it makes sense to enroll a person in a job for only a year and what happens to them afterwards.

H.R. 6138 should expire at the same time CETA expires so that the lessons learned can be integrated into a comprehensive national manpower policy which addresses the problems of cyclically and structurally unemployed young and adult workers and provides career development opportunities for unemployed and employed persons. It may be, for example, that some aspects of the youth unemployment problem are best served under a separate program while others are best served through integration with a general employment program. We need to review carefully the role of public service jobs creation to determine how to best structure it. We are discovering, for example, that while CETA workers are often viewed as second-class workers, employees in other federally-funded programs are not. This is partly because the latter group were integrated into the regular public service system while the former has often been kept separate.

It may be that instead of simply providing money to create any kind of job, we need to think in terms of legislating specific useful public service activities which are clearly different from regular jobs and then hiring unemployed people into the jobs. Examples might be child care, energy conservation and railbed revitalization. It may be that we should consider using federal funds as a permanent source of funds for entry-level and subentry level public jobs which become an integral part of public personnel systems even though the people filling them may move on.

One thing we do know, however, is that public service employment cannot be the final answer to the problems of all the unemployed. There are limits to what it can do and the number of positions that can be absorbed. Ultimately, we will need to do a better job of economic development and job development in private industry also. What we really need is a manpower policy that is part of a comprehensive full employment policy.

Mr. **Welsh.** I have an abbreviated and edited version of the detailed statement, which I will go through fairly quickly. Then I will be happy to answer any questions that the subcommittee has.

Chronic high unemployment among teenagers and young adults is a national problem which clearly demands Federal attention. We commend your subcommittee, Mr. Chairman, and your long leadership in this area. We think that it has made a contribution that is almost unequalled in this area.

Youth unemployment is a complex problem which has some characteristics that are unique, and others that are identical to the adult unemployment problem. Its unique features are the failure of the educational system to hold onto many young people; the sheer number of "baby boom" children reaching maturity and seeking their first jobs; and the lack of an effective transition from school to work.

The employment problems which young people share with unemployed adult workers are a sluggish economy which fails to generate enough jobs for all who want jobs; deteriorating local economies especially in the industrial cities of the Northeast and Midwest, where both private and public sector job opportunities are shrinking; and technological and structural changes in the kinds of jobs that are available, such as those just mentioned by Congressman Le Fante.

H.R. 6138 provides a useful mix of different programs to address the many complex aspects of youth unemployment. A particularly important feature of H.R. 6138 is direct job creation, particularly in the public sector. As such, the bill will create public service jobs and work activities for young people which are very similar, if not identical, to CETA title II and title VI jobs and activities.

Our union's experience with CETA leads us to the following general observations and conclusions about Federal public service jobs creation.

Giving State and local governments Federal money to create public jobs, whether they are individual or project jobs, has an inevitable effect on the employment standards of the regular work force and on local fiscal decisions. The natural inclination of prime sponsors is to build the Federal money into their city, county, or State budgets.

In addition, prime sponsors have tended to create a separate class of workers out of CETA workers and provide rights and benefits that are less than those regular workers receive. The end result, in many instances, is not only substitution of workers for those in the regular work force, but an erosion of labor standards in the public sector.

"Work experience" under CETA, which is very similar to the activities authorized under part C of H.R. 6138, has operated in the same fashion. Under the guise of creating "training activities," prime sponsors give participants substantially fewer rights and benefits. However, enrollees often end up performing as full-time regular workers within a few months, but they continue to be denied equal rights and benefits, including promotional opportunities. Vacancies in the regular work force are not filled as "work experience" participants are used instead.

In addition, transition to permanent public or private employment under CETA has not occurred to any great degree. CETA participants have tended to stay in CETA jobs, and CETA jobs have become viewed as a relatively permanent, if not always an integral, part of public employment work force of a governmental entity.

Thus, we now have a public sector work force in many parts of the country which consists of four layers, all governed by different rules, even where workers are doing the same work. These layers are: collective bargaining contracts where bargaining exists; a confusing array of civil service merit systems, which may conflict with the union contract; informal patronage systems; and CETA, which may or may not be integrated into any of the other layers.

This rather chaotic condition of different personnel systems governing people who work for State and local governments has had some unfortunate consequences. Many CETA workers who are segregated from the permanent system become impatient over their lack of opportunity to be treated as regular workers with all the accompanying rights and benefits. Regular workers feel threatened by the presence of a separate class of employees who may or may not be members of an existing bargaining unit.

There is no doubt in our minds that, unless carefully designed and administered, H.R. 6138 will result in many of the same kind of practices. If we are not careful and ingenius, we will simply be adding a fifth personnel system governing the working conditions of public workers. Substitution will continue, only this time it will be young people replacing older workers. If special training is provided to young people, it will be not only the regular workers but also present CETA workers who may feel resentful that they are not getting the same training opportunities.

The question, then, is how we can assure that the youth employment and training program will be truly beneficial to the participants? How do we protect the job security, rights and benefits of regular workers? How can we minimize substitution?

AFSCME believes that there are a number of essential requirements needed to accomplish these objectives.

First, any youth employment program must contain strong labor standards which include: maintenance of effort requirements by the municipality, county or State; promotional rights protections; the right of the union to comment on the provisions of plans and grant applications; and compensation, benefits and rights for program participants which are equal to those in the workforce similarly employed.

Part D of H.R. 6138 contains such protections. We would strenuously oppose any weakening of these provisions. We particularly would oppose any weakening of the wage standards under the bill.

In fact, we are not very happy with the minimum wage standard under part A, and our reasons are twofold. Based on our union's experience of the past several years, we are convinced that a substandards wage will encourage governmental units to engage in unnecessary substitutions of the workers receiving the substandard wage for workers receiving a regular wage under the union contract or pay plan of the governmental unit. In addition, a minimum wage standard will result in an unequitable situation in which young adults working in a state or local park under this program get a lower wage than another young person doing the same work under title I, II or VI of CETA.

A second essential requirement is strong Federal involvement in the youth employment program.

H.R. 6138 achieves this by establishing a grant application procedure for distributing all of parts A and B and half of Part C funds.

We support this procedure and oppose the proposals that have been made to make more of the program funds available to prime sponsors on a formula basis. We especially support the 50/50 split under part C.

There are several reasons why a strong Federal presence through a grant application mechanism is necessary. Strong Federal involvement will provide a better check on prime sponsors to assure that they do not, as a result of a lack of imagination or because of local budgetary and fiscal considerations, simply substitute a new lower class of youth workers—I mean that class in the sense of their opportunities at the job site—for regular workers.

Under part C, a grant application procedure can allow the Labor Department to arrive at a good national mix of experimental approaches to the problems of youth unemployment, while still permitting ideas to flow up from the local level.

The grant application procedure also provides a better chance for the development of useful work activities which are, in fact, work that would otherwise not be done, and which do not threaten the job security and employment standards of regular workers, or create hostility toward the program. For example, through the application of the grant approach, we might be able to avoid a situation in which New York City might simply put low paid young people to work on the city parks under parts A and B, while at the present time there 3,000 regular park employees who are on layoff. Alternatives such as work on New York State's State parks or the Federal parks in the New York region near the city, or on clearly defined neighborhood activities might be developed instead. Then, as vacancies occur in the city's park department, they can be filled with local funds by workers on layoff instead of by youth participants in the Federal program.

A third important element is effective involvement by the union or the organization representing the city, county or State employees. Public unions should be consulted at the stage of development of the grant applications and proposals.

There are a number of reasons why union involvement is desirable. Public unions are the natural ally of the Federal Government on the problem of substitution. In addition, local unions can provide helpful suggestions on developing meaningful part-time and full-time work experiences.

In some places, local unions have training programs for their own members which can be adapted to the youth program. With union involvement and support, the membership is likely to have a more positive attitude toward the program participants on the job, and be more willing to work with them and help them.

In addition, we believe that with very careful planning, youth programs in the public sector can be a catalyst for developing meaningful career ladder advancement opportunities which can benefit not only the young people, but also the regular workforce. Our union is quite willing to work with the Labor Department on all such programs.

We believe, Mr. Chairman, that H.R. 6138 should be regarded as an experimental program designed to teach us different ways of dealing with the many varied and different needs of unemployed young people. H.R. 6138 should expire at the same time CETA expires, so that the lessons learned can be integrated into a comprehensive national manpower program and policy. It may be, for example, that some aspects of the youth unemployment problem are best served through integration with the general manpower and employment program.

We need to review carefully the role of public job creation to determine how best to structure it. We are discovering, for example, that while CETA workers are often viewed as second-class workers, employees in other federally funded programs are not. This is partly because the latter group was integrated into the regular public service system while the former often has been kept separate.

It may be that instead of simply providing money to create any kind of job, we need to think in terms of legislating specific useful public service activities which are clearly different from regular jobs and then hiring unemployed people into the jobs. Examples might be child care, energy conservation and railbed revitalization, some of the conservation-type programs that you already have included in H.R. 6138. It may be that we should consider using Federal funds as a permanent source of funds for entry-level and sub-entry level public jobs which become an integral part of public personnel systems even though the people filling them may move on.

These are different ways that we think some of these complex problems can be met, and your objectives can be achieved. One thing we do know, however, is that public service employment cannot be the final answer to the problems of all the unemployed. There are limits to what it can do, and the number of positions that can be absorbed. Ultimately we will need to do a better job of economic development in our deteriorating regions of the country and job development in private industry also. What we really need is a comprehensive manpower policy that is part of a comprehensive full-employment policy.

Mr. Chairman, I would like to have included with my statement, and share with the members of the subcommittee a very brief article that appeared in the publication of our district council 37 in New York, entitled: "CETA and District 37: We must stand together."

In its discussion and communication with the union members the article described how that local union in that city is attempting to deal with CETA-funded employees: how to represent them and how to meet some of the problems that have arisen as we moved fully federally-funded employment opportunities into the existing workforce.

Mr. Hawkins. Are you submitting that for the record?

Mr. Welsh. Yes. I would like to submit that, if I could.

Mr. Hawkins. Without objection, the document will be inserted in the record, at this point.

[Document referred to follows.]

CETA Workers and DC 37: We Must Stand Together

By ALAN R. VIANI

Director, DC 37 Research and Negotiations Department

ADDITIONAL FUNDS VOTED by the U.S. Congress for the Comprehensive Employment and Training Act, known as CETA, only serve to re-emphasize three important principles governing our attitudes towards this program and these workers:

1. CETA is here to stay for several years to come, and there will be CETA workers in our ranks during these years—workers who otherwise would be in the ranks of the unemployed.

2. We have the representation rights for the CETA workers in equivalent titles to ours, and it is DC 37 that negotiates their contracts and handles their grievances. We have to see to it that these responsibilities are carried out to the letter, and that there is no discrimination against these workers.

3. We must organize every CETA worker into our ranks. Without them we are weaker, divided, less effective. We cannot tolerate a condition of "second-class citizens" within City service, and within DC 37.

A summary of the history of CETA may be helpful in understanding why we draw these conclusions.

In 1973 the Congress passed the Comprehensive Employment and Training Act. The purpose of the Act was to provide jobs and job training for the long-term unemployed and underemployed. In February of 1975, due to worsening economic conditions, Congress allocated additional monies under the Act for emergency employment. At one time in the City of New York almost 20,000 unemployed and laid-off City workers were employed under the program. Most positions were available in City employment, although many were hired into private non-profit agencies. The stated purpose of the program was to supplement existing work forces—not to replace them.

Today, there are approximately 12,000 participants in the program, the bulk of whom work for the City. Since the beginning of the program, District Council 37 insisted that Congressional intent be adhered to, and that during a period of retrenchment CETA employees not become the catalysts for a "revolving door" policy . . . that is, we did not want regular employees to be laid off while their positions were being filled by new hirees. To this end, we have been successful in that we have utilized CETA monies to rehire laid-off employees during periods of bona fide retrenchment in City employment, at the same time providing employment for the long-term unemployed and underemployed from outside the ranks of City employees.

Shortly we will see a major expansion of the CETA program. It is predicted that the number of CETA employees in the employ of the City will double. The unemployment level in the nation as a whole now exceeds 7.3 percent. In the City of New York over 321,000 individuals are looking for work and unemployment stands at 10.6 percent of the work force, according to the Bureau of Labor Statistics; and as we know, in reality the figure is probably closer to 23 percent.

Congress and Jimmy Carter have decided that the existing CETA program offers the quickest and most effective way of reducing unacceptably high levels of unemployment. It is expected that we will see an additional 415,000 jobs created nation-wide.

CETA employees are workers too. They are entitled to Union representation and coverage under the Union contract. They need to be organized and to have their day-to-day problems and grievances dealt with by Union Representatives. We are aware that some employees feel some antipathy to CETA workers. They regard them as a threat to their job security, and feel at times that they are not entitled to the same treatment as regular Civil Service employees. We have a responsibility to convince these members that CETA employees are victims of the fiscal plight of the City and the entire country, just as we all are. They are workers trying to make a living for themselves and their families. Many are already in our Union. They are covered by Union contracts, and we are under a duty to provide fair representation.

Every member, Steward and Union Representative must understand that our trade union responsibility is to organize the unorganized and service all the people we represent evenhandedly to the best of our ability. Let us resolve that discord among ourselves can only strengthen those who seek to weaken and divide us. Our brothers and sisters cannot be our enemy. We must unite with all workers in our ranks to fight and win our struggle for an end to unemployment, for job security, better wages and dignity on the job.

Mr. Welsh. That concludes my statement, and I will be glad to answer any questions.

Mr. Hawkins. I wish to commend you on a very excellent statement. We note with great interest the support that you gave to part D of the administration bill as containing the provisions that you think will overcome the criticism often leveled at other parts of the bill.

There is just one part of it that still, it seems to me, creates a problem. You indicated that the period that an individual is receiving help in connection with such programs should not be wasted. The individual should go on to permanent employment.

I am not so sure that I see just how this is corrected by any of the provisions in the bill, or any provisions in the bill will in any way lead to permanent employment. It seems to me that we still would have individuals at the end of the period of time facing unemployment or at least looking for enrollment to some other federally assisted program. The cycle is not ended, even in this particular bill.

I do note that you do, in the last paragraph, refer to what I think is the most significant part of the statement, if I may say so. The limits to what can be done by such programs, and what we really need is a manpower policy that is part of a comprehensive full employment policy. I quite agree with that statement.

However, we are not at that point where we are going to get such a comprehensive manpower policy as part of a full-employment policy. Assuming, in the interim, before we get to that point, is there anything more that we can do in terms of general provisions that may provide for much more assurance that the individual will have some type of a promotional opportunity, or employment opportunity in the training period?

Mr. Welsh. I think that the main point, based on what we have learned from the CETA program, Mr. Chairman, is that if you can integrate these jobs into existing personnel systems, those systems do have some ability for promotion, upgrading, et cetera. There is some degree of turnover.

If we can combine such a program with on-the-job skill training, those opportunities become much easier. The employee is already part of the basic system of personnel practices in the Government.

Initial entry into the system often is a much more difficult problem, because of either restrictions that have been built into merit systems or provisions that have been built into the union contract provisions.

Promotional opportunities are basically less, however, if you have young people or CETA participants treated as an outside phenomenon.

There is another point that we want to try to make. We think the problem of substitution can be helped by having that kind of upward flow from the entry level with training on the job, but it is a very difficult thing to accomplish. The opportunity which the administration and the Congress have in the next 18 months with welfare reform being formulated and the necessity within a year of dealing with the comprehensive manpower program, presents a very unique opportunity for our Government in terms of making these programs complement and supplement each other and moving substantially toward a national manpower program.

I don't pretend that we have any special miracle as to how a young person at the end of a year is going to be automatically integrated and absorbed into the system. But I am clearly convinced from our experience that if he comes into the system at the entry or sub-entry level and has good supporting training experience, the chances are better that he will be moved up into the workforce.

Ms. Meiklejohn would like to add something.

Ms. **Meiklejohn**. One of the ideas that we have been considering under the CETA program with respect to transition is the possibility of having the regulations require that a certain percentage of the prime sponsors' vacancies in the regular workforce be filled by CETA participants that are qualified.

We are just beginning to explore the ramifications of this approach, and there are some potential problems with merit systems. You have to make sure that the participants are trained so they can qualify to enter the system, or you have to revise the merit system itself.

We think that this practice might be one way of beginning to deal with the transitional problem. However, I think if you apply that concept just to the youth employment bill, you will be giving new people entering a new program an advantage that the CETA workers who have been on the job, for 1 year or more, will not have. So even if this concept appears workable, it will have to be applied equitably to both regular adult CETA workers and young people who are employed under this program.

Mr. **Hawkins**. Certainly, you have indicated all the problems that this subcommittee is confronted with in trying to fashion a proposal.

Let me ask this general question which I think is implied in these discussions, and that is, would you then favor designing this program as an experimental demonstration program with a variety of approaches, for a 1 year period, rather than attempting to design it as a comprehensive youth employment bill at this time, which obviously it is not going to be.

Mr. **Welsh**. Mr. Chairman, as I alluded to earlier, we believe that that would be a better approach because there is just no question that you have to design your manpower programs together conceptually. It is clear, at least it is to me, that somewhere in the welfare proposals that are going to be set before us, there are going to be work components that probably are going to have to rely on the same type of a system and the same type of jobs in many instances.

So, I would think that the program ought to expire along with CETA and every conceivable incentive to be experimental both in the public and private sector. That is why we would like to see the grant application stay at a 50/50 ratio rather than the money going directly to prime sponsors in larger proportions.

We think that we will be able to get more creative ideas and more variations with that type of approach at this stage.

Mr. **Hawkins**. Thank you.

Mr. Beard?

Mr. **Beard**. No questions.

Mr. **Hawkins**. Mr. Myers?

Mr. **Myers**. Mr. Chairman, I would like to ask Mr. Welsh one question, if I may.

I am sorry that I got here late, and did not hear all of your testimony, but what I heard of your testimony was well presented. It seems to me that you do not have a problem with work that would normally be done in areas of Pennsylvania, for instance, in the portions of our forest lands which have not been touched since the CCC's in the 1930.

Mr. **Welsh**. I think that this is true.

Mr. **Myers**. I am talking with reference to the minimum wage. You give the men minimum wage to go into these areas to trim the trees, or whatever they do.

Mr. **Welsh**. If we are talking about section A, we have some problems with the wage standard. But we understand what you are trying to achieve with section A, and would be willing to let that ride.

I will let you go ahead and finish your question.

Mr. **Myers**. The second question, what procedures would your union use to determine what work is really being performed by members of your union. Where would you draw the line?

Mr. **Welsh**. When you come out of the woods.

Mr. **Myers**. Now you are on the highways.

Mr. **Welsh**. We have relied, in large measure in the CETA program, and not very successfully, on the CETA maintenance of effort provisions which are transferred to this bill. That is an attempt to look at the total resources of the budget of the governmental unit, and say that that unit has to maintain its basic effort.

We think, however, that probably as we go into a more permanent program, we are going to have to come up with a better formula. We are tentatively trying to work out a proposal that might simply say that a State or local government must maintain a certain permanent workforce level. If the number of people actually employed falls below that level, the question of maintenance of effort then is automatically flagged, and there has to be a special investigation to see if, in fact, they are playing games with substitution.

This is a very tough problem however. You have to consider local economic and fiscal conditions in areas of high unemployment. In recessionary periods, it becomes much more complex.

I am not certain that what we simply have to do is find a trigger mechanism that says: "Here is a base level of people employed in the county highway system. If the county is below that level, then the Federal Government really has to look at the question of whether the county is maintaining its effort.

Mr. **Myers**. Thank you.

Mr. **Beard**. Mr. Chairman, I just want to make an observation. I don't have any questions. I did not have the opportunity to hear your testimony.

I think the general concept of this program is really the Hawkins bill, and it is not the administration bill.

Mr. **Hawkins**. We are on the administration bill now.

Mr. Beard. But basically, it is the Hawkins legislation.

Mr. Welsh. We will give him all the credit for that one.

Mr. Hawkins. I am not sure if I want it.

Mr. Beard. It is his concept, and the administration is backing this, as I see it.

I think the basic idea is to give the young people a job, and the general view of organized labor has been "fine, provided they do not take jobs away from the regular help." The people who are laid off, will have a chance, at least, to come back.

Whether you are a young person, or an older person, if you are working, a job is a job. But there have to be provisions to give the young people some incentive to get started. Hopefully, the jobs that they would have under this program could possibly lead later to a more permanent job and the will to work.

I think that the idea is a tremendous program, and people like Mr. Hawkins, and Dominick Daniels who was here last year, and others, and Mr. Sarasin, are merging their ideas and they are coming up with a program that is going to help all economic levels of society. I think that it is going to be a good program.

Mr. Welsh. What we want to be basically sure of, Congressman Beard, and I am sure that you share that with us, is that a municipality or a county faced with demands for public services that extend beyond their taxing capacity, does not take a federally funded manpower program and basically subvert it simply to be able to handle a budgetary crisis in that county or municipality.

Mr. Beard. This is similar to CETA employees taking full time jobs and playing games.

Mr. Welsh. Speaking for AFSCME, we do not have a problem with trying to expand the kinds of public services that the county provides its residents by adding on programs like CETA or a youth employment program. We have no difficulty with that, but we think that it would work better if the participants were integrated into the regular work force.

We do have great difficulty, however, as I am sure you do, if in fact the program becomes a substitute program, and a way to deal with a budgetary crisis in which public officials do not face up to increased taxes, and so on.

I should say to this committee that when we came before you 3 years ago, Congressman Daniels was chairman. We made a very strong case that you had to have a parallel counter-cyclical aid program targeted into the municipalities and States with extraordinary fiscal problems to try to stabilize those local budgets in order to make a manpower program work in those areas.

In other words, the two programs are basically complementary. If you do not somehow, particularly in a period of recession, stabilize State and local budgets with countercyclical money, you are never going to be able to deal equitably with the problem of bringing into State and local work forces unemployed workers or youth because the substitution problem is beyond management at that point.

So we made the case 2 or 3 years ago, and Congress enacted it over President Ford's veto. I could not leave today without making a plug for the fact that it is up again very shortly for extension in the House and the Senate. We very strongly hope that the members of the House and Senate will approve President Carter's proposed revision of the formula and extension of that program, which will help you to deal with this problem of substitution.

Mr. **Beard.** Thank you, Mr. Chairman.

Mr. **Hawkins.** Mr. Stephens is here today as the designated batter for the minority.

Mr. **Stephens.** I have no questions.

Mr. **Hawkins.** Thank you for coming. It is nice of you to substitute for our friend, Nat Semple.

Mr. Welsh and Ms. Meiklejohn, we certainly appreciate your testimony. We hope that you ideas will find their way into the construction of a new bill.

Mr. **Welsh.** We appreciate the opportunity, Mr. Chairman, of sharing it with you.

Mr. **Hawkins.** The next scheduled witness is not here. However, we do have one or two spontaneous requests from persons in the audience. One such request came from Mr. Donald Eberly, executive director of the National Service Secretariat, Inc., and the senior policy analyst in the policy section of ACTION.

Mr. Eberly, we are very pleased to recognize you and to receive your statement this morning. The statement will be entered in the record in its entirety. Even though your appearance comes spontaneously, we are very pleased that we have a written statement.

[Statement of Donald J. Eberly follows:]

STATEMENT BY DONALD J. EBERLY
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
HOUSE COMMITTEE ON EDUCATION AND LABOR
APRIL 21, 1977

I am submitting this statement as a citizen and as executive director of the National Service Secretariat, which I have headed since its founding in 1966. I should add that I am employed by ACTION as a civil servant and that my work with the National Service Secretariat has been on a voluntary basis since 1969.

When I have testified before the Congress on previous occasions, the issue has been whether a program of National Youth Service would help the nation solve the draft problem. In the words of the National Advisory Commission on Selective Service appointed by President Johnson in 1966, "Who serves when not all serve?" The decision was to move to a lottery and then to the All Volunteer Force, which we have today. I do not wish pursue issues related to military recruitment other than to note the obvious linkage between it and youth employment: as youth unemployment decreases, the pool of young people available for military service also shrinks.

There have been other rationales for National Youth Service over the years.

-The Joint Commission on Mental Health of Children recommended National Service in 1969 as a means of promoting the mental health of young people.

-The Scranton Commission on Campus Unrest (1970) and the Carnegie Commission on Higher Education (1971) have put forward national service as a sensible way to offer relevant education to young people.

-The President's Science Advisory Committee (1973) in a group headed by James Coleman suggested national youth service in an attempt to restore the balance between passive education, which has become dominant as a consequence of automation, television, and the lack of jobs; and active education, which had previously been the primary educational mode.

-The philosopher-psychologist William James recommended national service in 1906 as a means of effecting the rite of passage from adolescence to adulthood that would be more constructive than the typical pathways to becoming men; namely, military service and streetcorner gangs. James' proposal for a moral equivalent of war was limited to men. It is interesting that President Carter described his energy conservation program as a moral equivalent of war.

-During the last two years the call for national service has come largely in response to the unacceptably high rates of youth employment. Institutions including the Eleanor Roosevelt Institute, the National Child Labor Committee and the American Assembly on Manpower Goals for American Democracy, and individuals including Ambassador Andrew Young, UAW President Leonard Woodcock, Governor Jerry Brown, Former Labor Secretary Willard Wirtz, and American Council on Education Vice President Stephen K. Bailey have proposed national youth service as a program that would contribute greatly to solving the problem of youth unemployment, while simultaneously serving people in need and providing opportunities to participants for personal growth and career development.

I think it is important to note that while youth unemployment is a problem, young people themselves are not a problem. The two are easily but mistakenly confused. It is more accurate to characterize young people as having a great deal of promise and potential and energy and idealism and a desire to assume adult responsibilities. Most of the problems associated with young people derive from a denial of the chance to make manifest the constructive expression of these traits.

In my view, most of the pieces of legislation under consideration will move us in the right direction. In the President's Bill, for example, young people may choose to live at home or to move away. They may choose to work on a wide variety of conservation, neighborhoood and community service projects. In many cases, they will be able to obtain academic recognition for the learning acquired from the work or service period.

What concerns me is what happens on October 1, 1978. If youth unemployment drops a point or two, will this new youth initiative be dropped? If there are no inner city riots and no serious campus demonstrations and if juvenile crime decreases, will we once again return youth to a state of neglect until they arouse themselves or until they are needed on the front lines?

To avoid such an outcome, and to capitalize on the experience gained during the next year and a half, I suggest that the forthcoming youth initiative be designed and administered and evaluated as an experimental set of youth programs leading to an eventual comprehensive youth program.

If this approach is adopted it has several major implications:

1. It means that the program will be operated less as a "jobs for needy youth" effort and more as a program which facilitaties the exercise of the mutual responsibility between the nation and its young people. Under this concept, the nation would meet its responsibility by enabling young people to prepare for the future by serving on the frontiers of human need, and young people would met their responsibility by contributing a period of service to others.

2. It means that we must not permit ourselves to adopt the limitations of a targeted programs. When resources are severely limited, priority must be given to disadvantaged and unemployed young people. We seem to have great difficulty operating such a targeted youth program in a way that full realizes the potential of these young people. The Civilian Conservation Corps, as deserving as it was of the many plaudits it has received, could have had a much stronger educational dimension. The Neighborhood Youth Corps has often been criticized for teaching negative work habits and providing too few opportunities for experiences of a kind that will be useful in the furture. Programs not restricted by the imposition of economic class restrictions tend to come much closer to their potential. The GI Bill after World War II runs a close race with the Louisiana Purchase as the best investment the United States ever made. ACTION programs such as

VISTA and the Program for Local Service, while conducted on a small scale, serve many purposes: they provide a high level of service to people in need, they help mobilize additional resources, and they offer experiences that are educational and career oriented.

One way to test this approach consistent with giving priority to the most needy young people would be to guarantee conservation or community service positions to all young people resident in a city or state with the highest rate of unemployment. While some middle and upper income young people would join, I am sure the majority would be poor and/or unemployed and I would hypothesize that their proportion would be in the neighborhood of 80%. I would further hypothesize that the 20% differential would be more than compensated for by the quality of the service experience when compared with the quality of the experience in an average targeted area.

3. It means that we must exploit the educational potential of the youth service and employment program. The President's Bill and several other Bills recognize the importance of educational linkages. These linkages can be made at several levels. Participants without a high school diploma can be encouraged to seek a G.E.D. and can be tutored by other program participants. All participa[illegible]can be encouraged to arrange with high schools, community colleges and universities for the award of academic recognition for the learning acquired from work or service experiences. This process could be

facilitated by assigning an educational coordinator to every one hundred participants. Consideration should be give to creating a GI Bill for Community Service to provide for the further education of those who serve. To do all these things probably requires a broadening of the academic credit language in Sections 817 (b)(2), 839, and 852.

4. It means that young people must have a say in what they do. This is not to suggest that they be paid for"doing their thing" whatever that may be. But they should be able to select the area in which they serve and they should be able to work with the employer in defining the job.

5. It means conducting a program evaluation much broader than what would be done if it were just an emergency jobs program. These are some of the questions that should be posed:

- -What is the socio-economic profile of participants?
- -What is the value of the service rendered?
- -To what extent does the participant benefit in terms of:
    - -Education?
    - -Career exploration?
    - -Income transfer?
    - -Skill training?
    - -Self-confidence?
- -What is the status of participants after they leave the program in regard to employment and education?

6. It means working closely with other organizations to achieve a high quality of service and a high quality of experience. Building on earlier proposals by Senator Humphrey and Senator Jackson and Representative Meeds, the conservation part of the

President's program would be run by the Departments of Agriculture and Interior. If the record of the Youth Conservation Corps is any predictor, this method of operation will produce a high quality program. Of course, the situation is rather unique because of the high degree of control these Federal agencies have over the national parks and forests. A somewhat different approach should be followed in housing, education, health, and a variety of community services. While linkages should be developed with the responsible agencies at the Federal level, most of the work will be at the local level. These linkages can be facilitiated by the creation of Education and Work Councils.

To build a program with all these features will require careful preparation. We shall have to substitute hard work and imagination for the time that is not available for making adequate preparation. In addition to the formal process of collecting comments on a tentative set of guidelines, I suggest that the Department of Labor have a retreat someplace where young people and educators and public officials and persons from the voluntary sector work together to lay out the principles of program operation.

We cannot compensate overnight for the failings of recent years. But we can begin to put into place the kind of program that will foster the healthiest kind of relationship between young people and the nation that will soon be theirs to guide for succeeding generations.

STATEMENT OF DONALD J. EBERLY, EXECUTIVE DIRECTOR, NATIONAL SERVICE SECRETARIAT

Mr. Eberly. In working with Steve Juntila, we had agreed that I would submit a statement, but I had not expected to testify. I certainly appreciate the opportunity.

I think that my remarks will be focused more on a brief summary of some of the testimony that has been given in the Senate and the House in the last week. I do want to stress that although I am a civil servant of the ACTION Agency, I am appearing here today as a citizen, and in my role as the executive director of the National Service Secretariat. I am a member of a Veterans organization whose motto is, "Citizens first, and Veterans second." It is in a parallel kind of capacity that I am here today. I am a citizen first, and a civil servant second.

In reviewing the testimony, I notice that quite a few people have talked about the desirability of viewing the present program, that is for the next 17 months until the end of fiscal year 1978, really more as a first step toward some kind of broader youth effort, some kind of national youth policy.

I notice that while the emphasis has been on targeting programs at the most needy young people, and the emphasis has been on jobs and employment, that several distinguished witnesses have called for moving toward a fairly large scale program of national youth service that would, in fact, guarantee opportunities to young people along the lines that Congressman Simon is talking about this morning, and I understand to some extent along the lines of Congressman Sarasin's proposal, and certainly along the lines of the Standby Job Corps with which you are so closely identified.

Among those who have advocated a National Youth Service in the long-range are Bernard Anderson of the Wharton School, Peter Eidelman of the New York State Division for Youth, Richard Graham, former head of the Teacher Corps, Willard Wirtz of the National Manpower Institute, and Sam Brown of the ACTION Agency.

What I fear most, Mr. Chairman, is what may happen on October 1, 1978, if we don't approach this from a long-range point of view. What will happen if the unemployment rate for young people drops, perhaps, two or three points by that time; will be simply say: Okay, the unemployment is pretty well taken care of, so we will forget about young people.

Not until we meet them on the frontline of the military conflict, not until they rouse themselves into student riots, will we think about them again. William James noted this kind of syndrome as long ago as 1906, and the President mentioned in his energy message the need for role equivalent of war. He was talking about the energies of young people, and he was emphasizing young men in those days, to grow up to express their manliness. He noted that the normal ways of doing this were to either engage in a war as soldiers, or to go on street corner gangs.

So he asked for a more constructive expression of this period of adolescence or youth. His more equivalent expression of war, he used such an example as having them go out into the fishing fleets in December, or washing windows of skyscrapers, and using a variety of useful work or doing a lot of the hard work of society. In this way, they would become young men, and even the young women would admire them more, he thought.

So this idea of national service has been with us for a long time. I think that possibly one reason that we have not made the commitment to getting there is a number of different angles from which it has been considered.

Today we are looking at it because of the high rate of youth unemployment. Five or six years ago, Clark Kerr, an educator, and Governor Scranton were talking about the idea of national service as an alternative to education program, and certainly this would be an educational program. Ten or 11 years ago there was a commission led by Burke Marshall of the National Commission on Selective Service, and really their only concern at that time was: Would national service provide for a more equitable alternative to military service.

So we have a number of dimensions from which this idea is examined. I think that it is terribly important that the national service program, when and if it comes, does not come out of a crisis, but comes for its own very good reasons.

There are educational dimensions. There are employment dimensions. There are the psychological, philosophical dimensions that William James talked about. But basically, I think that we have to consider the idea of a mutual responsibility between the Nation and its young people.

When President Kennedy asked young people to come forward in service of their country in 1961, he was really talking about serving their fellow man. In recent years, young people have tended to equate the country with the Government in Washington, or perhaps even more narrowly with the administration in Washington. I think that this is a mistake. I think that we have to restore the notion that the country is the people, and 160 million strong.

Instead of saying that we need to have a program because so many of those poor kids are out of work, we ought to call on those young people. The President and others ought to stand up and say: We need you to come forward for a year or two, and give a period of service to the old folks in the nursing homes, to the handicapped, to the young people in our Nation's force, because there is an awful lot of work to be done." There are 4 or 5 million kinds of things that young people can do.

So I would make a plea, Mr. Chairman, for consideration by the Congress of viewing the current program which has support. We have conservation opportunities. We have community service opportunities. We have construction opportunities. We will have probably some experimentation with a wide range of young people rather than only for a target, although we have to stress those with limited funds.

Looking at this from the telescope of what can be done now to develop a proper national youth policy.

Thank you.

Mr. **Hawkins.** Thank you, Mr. Eberly.

Are there any questions?

Mr. **Beard.** I think you made an excellent statement. I think that all of us on this committee are dedicated to the cause of employment for our young people, and a call to the work force in this country. Productivity is good, and it is sound, it is the strength of our country, and people being involved.

For that matter, whether it is a young person or a senior citizen, people want to be active and involved. It should be the goal constantly of this administration and the Congress to give a person every possible chance to exercise his fullest potential.

I think this type of legislation, hopefully, will take the kids away from corners, and break up the gangs, and so on, so they would not get into trouble. I think that it is just a good concept, and it is a good principle. It is what is needed.

Mr. Eberly. I think that we have some misconceptions about that. People tend to dismiss kids in Harlem and such, thinking that they don't much care. Someone was telling me that there was an ad for an elevator operator at a minimum wage up in Harlem, and the response was so good that the line went all around the block lined up for that job.

The basic problem, I think, is not with the young people themselves, but the problem is with society in not providing opportunities for them to have this experience, and recognizing that we really need them.

Mr. **Hawkins.** Mr. Myers.

Mr. **Myers.** Mr. Chairman, the gentleman mentioned some concern about what would happen October 1, 1978, would the Congress just let this program go by the wayside?

I, for one, think that if some improvement were shown, particularly with the youth unemployment, two or three percentage points, I think that this would be all we need to really gear it up at that point to continue. I also think that this has been the feeling of the committee.

I really hope that it does show some gain.

Mr. **Eberly.** It should do that.

Mr. **Hawkins.** Thank you.

Mr. Stephens?

Mr. **Stephens.** I have no questions.

Mr. **Hawkins.** Thank you, Mr. Eberly, for your presentation.

That concludes the list of witnesses who are here today. The committee will be reconvening tomorrow morning at 9:30 a.m. Inasmuch as we have a rather heavy schedule, I really hope that we will be able to begin promptly at 9:30.

With that announcement, the committee is adjourned until 9:30 tomorrow morning.

[Whereupon, at 10:55 a.m., the subcommittee adjourned, to reconvene at 9:30 a.m., Thursday, April 28, 1977.]

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 AND RELATED LEGISLATION

THURSDAY, APRIL 28, 1977

House of Representatives,
Subcommittee of Employment Opportunities
of the Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to recess, at 9:30 a.m., in room 2261, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman) presiding.

Members present: Representatives Hawkins, Clay, Le Fante, Weiss, and Sarasin.

Staff present: Susan Grayson, staff director; Steve Juntila, legislative assistant; Carole Schanzer, clerk and administrative assistant; and Nat Semple, minority legislative associate.

Mr. Hawkins. The Subcommittee on Employment Opportunities is called to order.

The hearing today is a continuation of the hearing on youth employment bills in the committee, H.R. 6138 and other, related bills.

The first witness today is actually a carryover witness from yesterday, the Honorable Ronald Dellums.

Mr. Dellums. My distinguished colleague from New York indicates she is in a greater time constraint than I, so I would allow her to go first.

Mr. Hawkins. I was getting ready to introduce you; the same remarks could be made about Mrs. Chisholm. We are very delighted to have as our first witness the Honorable Shirley Chisholm, the gentlelady from New York, who was a member of the full Education and Labor Committee, but she left that committee for greener pastures, I suppose. I hope you found them.

Shirley, it is a pleasure to have you return to us. We know of your great interest in this field. As a matter of fact, one of the bills which you introduced has been used as one of the models that we have tried to utilize in drafting legislation. If we have anything good in some of these pending proposals, I think it is due in large measure to the inspiration and leadership you have given in this field. We are certainly delighted to have you appear before the subcommittee this morning.

STATEMENT OF HON. SHIRLEY CHISHOLM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mrs. Chisholm. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, I am very pleased to be here this morning with my friends from the Education and Labor Committee. It is fitting that my first appearance before you since leaving the committee is on an issue relating to young people since, as you know, the problems of young people are of very special concern to me.

Yesterday, as I was reading the testimony of El Congresso on the youth employment bill before us, I was struck by two statements. The first was: "What we have here is an attempt to throw money at the unemployed youth problem for a short period."

The second was: "Since there seems to be agreement that the youth unemployment problem is a structural problem in nature, why are we being presented with a legislative proposal which resembles a countercyclical project?"

Why indeed? My feeling—and I think it is a feeling shared by members of this committee, members of the administration and groups representing and concerned about youth—is that because the problems of our young people are so pressing and acute there is tremendous political pressure to do something.

Because of this pressure, we have backed into accepting a compromise bill. We have hastily scotch-taped together a group of proposals which may be politically popular and individually promising but which do not for mthe type of comprehensive manpower services program we need to cope with the structural aspects of the youth employment problem.

This legislation ignores, in my humble opinion, the private sector and does not adequately emphasize education and training. At this point I would like to compliment Mr. Sarasin for his innovative proposal which addresses the need for private sector involvement and the needs of in-school youth.

Too often our manpower programs have been little more than expensive income transfer programs. For our poverty youth or those who already have dependents, the income alone is a godsend. But let us not kid ourselves; if a young person isn't any more employable when he or she finishes the program, then we haven't done a damned thing.

I know that you have heard the same plea from many other witnesses but it cannot be emphasized enough. This legislation cannot be just a jobs bill. The young people in this program should have acquired some marketable skills when their enrollment ends. By "marketable skills" I don't just mean getting to work on time. If that is all they learn at 10,000 a slot, it is darned expensive ignorance.

This bill must emphasie education and training and must result in lasting gains for the enrollees. Many of our young people, especially those from districts like my own, are going to need a great deal of help just to master basic skills.

We have over a million functional illiterates among our youth. You can't be a secretary if you can't spell, make change if you can't add, or even fill out the job application if you can't read. Any program, whether under part A, part B, or part C, has got to have an education and training component.

Sometimes that means that these training slots will be expensive. Supervision, training, placement, and support services will add dramatically to the cost. Bilingual and handicapped programs will be even more expensive because the task is more difficult. But we have to understand and accept that. But, by heaven, the American taxpayer and our youth ought to have something when we are finished.

The administration bill calls for: $350 million for 30,000 jobs under part A, the Young Adult Conservation Corps; $250 million for 30,000 jobs under part B, the youth community conservation and improvement effort; and $900 million for 138,000 jobs under part C, the CETA innovative and experimental section.

Under the administration's bill we would be spending a total of $1.5 billion to help 203,000 young people. Since most estimates place the number of pobless youth at about 3 million, you can see that this legislation cannot begin to solve the problem, and even in the best of times money is short.

In view of this and the magnitude of the problem, I believe we have to target our funds on those with the greatest need. By that I mean youth with high rates of unemployment and special problems—those from low-income families, minorities, the handicapped, youthful offenders, those with a history of drug and alcohol addiction, those with limited English-speaking ability, and those with dependents.

I have heard arguments that we cannot target the bill on low-income youth and those with problems because middle-class kids are also having trouble finding jobs. That may be true, but comparing the unemployment problems of the inner city youth with those from Bethesda is like comparing the common cold with leprosy.

The statistics and commonsense tell us that the middle-income kids have not only an economic edge but more employment options. The mom-and-pop stores and other small businesses which provide traditional entry-level pobs have vanished from the inner city and the rural crossroads. They have been replaced by large shopping centers in the suburbs.

The middle class also has what I call the "Uncle Louie connection"; that is, they have family and friends who can give them referrals and contacts. In a district like mine, Uncle Louie can't help because he is out of a job, too.

As Dr. Bernard Anderson pointed out in his testimony, the plight of black teenagers is far, far worse than other segments of the youth population. May I quote his testimony:

> Between 1954 and 1959, when total unemployment averaged 5.1 percent, teenage unemployment was 2.5 times as high; for the 6-year period 1969–1974, which had the same aggregate unemployment rate, the teenage rate was 3 time as high. Almost all the worsening in the relative position of teenagers was concentrated among blacks, whose unemployment rate relative to everyone else increased from 4.1 times as high in 1960 to 5.9 times as high in 1974.

What is more, targeting, to be successful, must be enforced. As the recent GAO report which was released on April 7, 1977, points out, the current CETA programs have been ineffective because they skim the cream. That is, they enroll those who are the easiest to deal with rather than those with the most serious problems. May I quote from page V of that GAO report:

> Normal hiring practices were generally followed, with heads of public service departments selecting participants. Although priority systems generally were set up to favor the act's target groups, department heads generally hired the best-qualified rather than the most needy.

That somes directly from the GAO report.

Studies such as the monitoring projects done by the Urban League have pointed out further problems with existing CETA legislation which we ought to deal with: Too often the jobs are make-work or dead-end. There has been about a $1,000 pay difference between the CETA jobs that white males get and those which go to women and minorities. Women especially are tracked into traditional entry-level jobs.

Now, having brought up the problems that women are having under the current CETA legislation, I think it is necessary to enlarge a bit on the special obstacles faced by unemployed young women. When reviewing all of the studies and testimony, one is struck by the fact that women are rarely mentioned. Everyone assumes that those unemployed youth are all male. All the references are to "he," "him" and "his."

In point of fact the problems of our unemployed girls are probably more important than those of our young men because the job market continues to be hostile to women long after they have left their teen-age years behind.

The two-parent working family is now the national norm and, the lower the income level, the greater the likelihood that the wife/mother will have to work. Many teen-age women already have dependents. In fact, pregnancy is the biggest single reason that girls drop out of school.

The Library of Congress indicates that of CETA youth in the 20-to-24 age group—not including summer youth or public service employment—51 percent of them had one or more dependents. In the 16-to-19 age group, 23 percent had one or more dependents.

Almost one-fourth of women who have their first child in their teen-age years have three more within a seven-year period generally speaking, and I have begun a great deal of research and analysis pertaining to this particular problem of young women.

We are talking about women who have families which need to be supported. Whether that support comes from wage-earners or welfare will depend in large part on what kind of employment skills we give these women. We have to give them the education and training they need to get into nontraditional jobs. If we fail to train and employ these young women, we will just perpetuate the now familiar cycle of poverty.

There are two other groups which I would like to draw particular attention to. These are the Hispanics and the American Indians. Too often when we use the word "minority" we mean black, but other minority youth have equally serious problems.

Hispanics are the second-largest minority group in this country. Over half of our nation's Spanish-speaking youth drop out of school before they reach high school. They have an overall unemployment rate of 19 percent for the 16-to-24 age group, among 16-to-19-year-olds it is over 26 percent and in the 20-to-24 group it is 14.7 percent.

As with black youngsters, this understates the problem because so many are never counted because they gave up trying to find jobs. Both income targeting and bilingual training programs are going to be necessary to reach these youths.

The problems of our American Indian youth are so staggering it is criminal. A recent study of Navajo vocational education programs pointed out that the per-capita income for Navajos is $900 per year and that only 40 percent of the Navajo labor force is employed, compared to approximately 85 percent of the U.S. labor force.

One of the things I would like to recommend is that special efforts be made to set up programs for our Indian youth under the part C demonstrations and particularly under the part A conservation program. Since a large number of our national forests are on land taken from the Indians it would be highly appropriate to make them a very special, sincere effort to include them in the program.

In my view the emphasis on research and demonstration funds under the discretion of the Secretary of Labor is an important component of this legislation. Now, I realize that the prime sponsors and their proponents would like a larger share of the part C money but I hope Congress will resist their persuasive siren's song.

The argument which goes "We are the local elected officials; we know what is best for our community" rings in our halls daily. Whether the issue is general revenue sharing or youth employment, the solution is always "Just give us the money and don't ask too many questions." But, as the recent GAO report and other studies reveal, the local folks don't necessarily do a better job than the Federal Government at times.

The more colorful abuses happen when the superintendent of schools or the council member's daughter gets the CETA job meant for the disadvantaged youth. There are the cases where the mayor sends over a list of enrollees who just happened to work in his campaign or when the enrollees are also collecting unemployment benefits. Then there is the problem of substitution, where local prime sponsors have found a handy way to use CETA money to pay the salaries of their own employees.

Considering the history of abuses, it seems generous to give the prime sponsors half of the $900 million in part C and a chance to qualify for $225 million additionally under that part. But more critical still are the projects which are honestly run but which produce no real long-term gains in employability or income level.

The GAO reports raises another critical issue. The Department of Labor must improve its monitoring personnel and procedures, particularly for new funds and new projects. Prime sponsors are supposed to establish procedures for periodically reviewing the progress of participants but for Labor has not monitored this as is required by law. Furthermore prime sponsors should be monitoring their subgrantees.

Monitoring and accountability are especially important in countering race and sex discrimination. We not only need stiff antidiscrimination language in the statute; it needs to be strictly enforced.

Another suggestion—which need not be written into the statutory language but which, I think, might be useful—would be to establish an office of inspection such as existed in the old OEO program.

The function of the office was to police programs for fraud, abuse, mismanagement and other problems and to get the local projects to correct their errors or risk being defunded.

Further, from the grant work which goes through my congressional office, I can see that there is a crying need for technical assistance, especially in poor communities and when dealing with community-based organizations. They can do a good job but they need help and direction; otherwise the hustlers take over the programs.

At this point I can hear mutterings about "interference from the Federal Government." Why is this necessary? How else are we to know if the program works? Are the enrollees getting the training? Can they get jobs after they finish? Are the hard-core unemployed really getting the slots? Are there abuses? Is there sex or race discrimination? Do we need to focus more on other kinds of problems? Are the administrative costs too high? If we don't have this kind of evaluation and accountability, we simply continue to throw good money after bad in poor administration.

This subcommittee more than anyone else should be aware of the difficulties we have had under the CETA legislation and the need for improvements. That is why you have requested a simple 1-year extention of the program to allow ample time for study and evaluation before the law is revised.

I question whether it is in the best interests of the whole CETA program to tack on a whole new title in the middle of that evaluation process, thereby cemetning in place many of the practices we are hoping to eliminate.

Furthermore there is a very real danger that prime sponsors will see a new title VIII as "the youth title" and curtail youth enrollment under other titles. Unless prime sponsors maintain their commitment to youth in other parts of the CETA program, young people could suffer a net loss—a decrease in the Federal commitment to youth employment because of the passage of this bill.

In conclusion, whatever the final form of the legislation, we must include provisions which will help us to learn as much as possible about how best to approach youth employment problems. We must have careful collection of data, thorough evaluation and review and the dissemination of the information by the Secretary. And the solutions we find must eventually be incorporated into permanent and truly comprehensive youth employment legislation.

Thank you for giving me this opportunity to testify.

Mr. HAWKINS. Thank you, Mrs. Chisholm, for an excellent, hard-hitting statement. As usual, you have done a masterful job in focusing on the real problems.

Because we do have a long list of witnesses today, it is the thought of the Chair that we are not going to subject witnesses to a lot of questions. However, that does not reflect at all on the quality of the testimony of the witnesses. May I commend you on a very excellent statement.

On page 8, next to the last paragraph, I think there is one of the more important parts of your statement—there are so many parts it is difficult to select any one—but we certainly agree with the general thrust of that statement. I would simply like to inform you that the present tendency of the subcommittee is to use one of the existing titles, specifically title III, at this time rather than create a new title and mislead the public into the belief that it is in some way a comprehensive youth employment title.

For that reason, we are using existing titles of CETA and also giving more discretion to the Secretary of Labor.

Also in connection with your testimony, I think it would be well to point out that we also recognize the danger of not moving toward a comprehensive youth employment bill. This subcommittee has recommended to the House a 1-year extension of CETA for that reason.

The monitoring that you speak of is most important. It is the intent of this committee and its members to budget for much more monitoring than we have had. Many provisions are being ignored; and to write in provisions and not have the program monitored certainly is, as you put it, throwing good Federal money away on bad administration.

I have no questions but certainly wanted to comment on your testimony. It is important that you and Mr. Meeds, who was also a former member of this subcommittee and of the full committee, have let us know that unless we, in a sense, fashion this bill in the proper way, we may have some difficulty when we reach the Rules Committee. I think it is important that we have that threat.

Mr. Le Fante.

Mr. LE FANTE. Thank you, Mr. Chairman. I think your testimony was excellent; it went right to the heart of it and "tells it like it is." I certainly appreciate it. I am sure we are going to give it serious consideration and a lot of this will be incorporated as the end result.

I have one question. On page 2 you refer to placing the unemployed youth and you emphasize education and training—"You can't be a secretary if you can't spell"; spelling is at the elementary school level; "You can't make change if you can't add"; adding is at the elementary level; "You can't fill out the application for a job if you can't read"; that is at the elementary level. Later you talk of throwing good money after bad. Are you excusing the educational system in the country?

Mrs. CHISHOLM. No; we are not.

Mr. LE FANTE. That is double taxation.

Mrs. CHISHOLM. I understand what you are saying but we have to deal with the pragmatic realities as they exist in our society. The educational system has been such that there are large segments of the young in this country that have not been educated to cope and function in a highly automated society. Therefore, because of their poor education, they haven't received the requisite skills.

Mr. LE FANTE. So the system has failed.

Mrs. CHISHOLM. Yes, in many instances. Therefore, since illiteracy is part of the problem, if we are going to try to be successful in terms of preparing these young people to function in this society, we must build into the legislation or any kind of program, remediation techniques or education and training components into the programs.

If we don't do that, we are not going to be able to get these young people out of that cycle of devastating poverty that seems to grip them. I feel we must have remediation.

Mr. Le Fante. I agree with you to a certain extent. We have this problem in New Jersey. We went in last year and tested our high school graduates in Newark, N.J., and found that better than 90 percent were functional illiterates. They were getting their diplomas and graduating. "They served their time; let them go." It is almost like someone in prison; when their time is up, let them go.

It goes against my commonsense, my conscience bothers me, to be able to put money up for unemployed youth where the system failed. We are putting the money up for the system and we keep it going. In my opinion, that is excusing the system.

Mrs. Chisholm. There is no doubt about that. I have spoken out very forcefully wherever I can about the current educational system. Some people misinterpret what I say. I do not feel the kind of teacher training in the colleges and universities today is the kind that can cope with the multifaceted society we have now.

That goes back to our teacher college training institutions and our universities. I know that those of you here on this particular subcommittee cannot really get into that area, but I do agree with you that the educational system has failed in many, many instances.

Mr. LeFante. Thank you. That is all the questions I have.

Mr. Hawkins. Mr. Weiss.

Mr. Weiss. Mr. Chairman, I just want to share your sentiments expressed to the Congresswoman and appreciation for her testimony. It was very effective.

Again, I would like to take note of your concern about the participation and involvement of your women in this program. In the course of the earlier hearings, we, as a subcommittee, had occasion to raise that issue and, hopefully, through our prodding, there will be a greater effort to involve young women in the program.

Mrs. Chisholm. Thank you.

Mr. Hawkins. Mr. Sarasin.

Mr. Sarasin. Good morning, Mrs. Chisholm. I apologize for coming in late. I want to thank you for complimenting me. That is as far as I have gotten.

As I understand your comments here this morning, you expressed a great deal of reservation about the administration bill.

Mrs. Chisholm. Yes.

Mr. Sarasin. I certainly share those reservations and I would hope we would be in a position to try and do better than what may have been an obviously good faith attempt for a quick move into the area without a great deal of thought.

I would like to thank you for your testimony. I will certainly take time to go through it and apologize for not having done so before.

Thank you for coming back before us. As a former member of this committee, you are a person about whom we feel a great deal of pride.

Mrs. Chisholm. Thank you.

Mr. **Hawkins**. Thank you again, Mrs. Chisholm.

The Chair would like to announce that we do have a statement from Senator Jennings Randolph and Senator Robert D. Stafford, whose appearance before this subcommittee could not be scheduled because of the crowded calendar. Their statements will be entered into the record at this point.

Without objection, it is so ordered.

[The statement of Senators Randolph and Stafford follows:]

Prepared Statement on Youth Employment Legislation by Senator Jennings Randolph and Senator Robert T. Stafford Before the House Subcommittee on Employment Opportunities

Mr. Chairman, members of the committee, we appreciate the opportunity to share with the Subcommittee today our support of legislation focusing on the serious employment problem facing our young people.

We will not cite chapter and verse of statistics and numbers about the levels and rates of unemployment prevailing today. These figures are well known. We would only stress that the high rates have been sustained over a long period and continue to rise. The problem is not a result of the recent recession but is more deeply rooted in our economic system and society.

General economic policies and programs can only marginally alleviate the growing unemployment among young people. Employment opportunities for youth improve as the overall economy improves, but the process is slow. It will take years to reduce the existing serious levels. To help the younger sector of the population, we must design measures tailored to their specific needs and which are carefully targeted to them.

Our concern is the adverse long-term impact on young people of imposed joblessness at this critical juncture in their development. In the late teenage years, most young people begin the transition from an academic environment to adult society. Early job experience provides the essential link between school and the adult world.

Without early job opportunities, many young persons become frustrated, alienated from the work force and many reach their early adult years with no real connection with work and no sense of responsibility. Not only do they lack skills but they lack an adult, pragmatic view of what is required of them to obtain and hold a permanent job.

We must begin now to fashion a youth employment program. Several bills advocating different approaches have been introduced in this Congress. As there are several facets to the problem, we believe a composite of alternative programs is most appropriat.

We have cosponsored some of the bills, but we are here today to support in particular the youth community improvement program. Earlier this year we introduced S. 306, the Youth Community Improvement Program. The concept of our proposal is very similar to the second section of the Administration's bill now before you.

When S. 306 was introduced, we made clear that it did not attempt to address the full range of issues which must be faced in dealing with this complex isue. Our proposal is designed to address a limited but important aspect of the problem.

The purpose of the Youth Community Improvement bill is to create jobs for young people on projects with lasting and beneficial community impact. The legislation is designed to provide jobs to a group of young Americans in need of initial employment experience.

Our original proposal was limited to young persons between the ages of 16 and 19, youngsters of high school age. It was geared to provide jobs for those still in school as well as for recent graduates and drop-out.

The proposal we support is designed to respond to two very specific and distinct characteristics of our society that are in need of help.

The first, and the most important, is the tragically high and structural unemployment rate among students of high school age—the group of young people ages 16 to 19.

It is our view that we need to design a special program that is tailored specifically to meet the very special needs of these young people—young people who are our nation's most valuable resource.

Right now we do not know of a single extensive program that is designed to provide jobs for young people who have recently graduated from high school, or who have dropped out of high school, or who are thinking of dropping out.

Indeed, the truth is that the young people in this age bracket face the prospect of being the very last group in our society to be hired. Even if unemployment were cut back to under four per cent, the prospect is that youngsters between 16 and 19 would still have a tragically high unemployment rate.

They are among the last group of Americans to be hired for a regular job, no matter what the circumstance. And, in hard times, they are often forgotten until they are allowed to "graduate" into the ranks of the chronically, long-term unemployed. Those jobless Americans between 20 and 24 of today, were the jobless high school age Americans of yesterday.

That is why there is a need for a program—a separate and distinct program—designed for young people aged 16 through 19.

The other major reason there is a need for a separate program such as the one we endorse here today, is that there is a special community need for such a program all across this nation.

Our cities and towns—big and small, in the East, the South, the Midwest, the Far West—are getting seedy. They are decaying because of a combination of hard times and neglect.

This urban decay—and small communities suffer from urban decay—begins in neighborhoods. It begins, often, on a single street or block. And, it spreads through a neighborhood, and through the community.

There are tasks that cry out for the doing, but those tasks have less priority than other pressing community needs—the needs for police and fire protection, for roads and schools and welfare.

So, we have idle young people and pressing community problems. In combination, those two characteristics mean bad news ahead for our nation.

We propose a special program—a distinct section of this legislation—to begin the task of turning those twin problems into an opportunity. An opportunity to provide unemployed high school age youngsters with not only a job—but with hope in the future and with a sense of community. And, also to reverse the tide of community deterioration, of neighborhood decay.

We propose a special program—one with its own separate identity—to meet the needs of a specific group of young citizens and to place the initiative for solving community problems in the hands of local citizens who best know their needs and aspirations. It is important to the success of this program, in our view, that this initiative be given to members of each community and neighborhood, rather than be left with the regular governmental bureaucracy of the CETA structure.

It is our belief that the program we endorse would encourage young people to remain in school or, in the case of those who had dropped out or recently graduated, to return to finish high school and to go on to post-secondary education. In many ways, our program would tend to prevent our young citizens from being abandoned to the ranks of the chronically unemployed.

The program we endorse would create jobs for young people, and more, it would encourage the granting of school credit that might help students achieve graduation and access to higher education. Training and skill development would be provide on the job. A realistic employment experience and discipline would be encouraged.

Jobs created under the program would be designed at the local level on locally-selected community improvement activities.

This emphasizes another major concept of this program—active local participation. The program encourages broad community participation which is vital in the development of good projects. Any private or public nonprofit group, including private citizens' voluntary groups, can participate and submit applications. We believe this is an important part of the process. The program is youth employment and extends beyond the traditional manpower training efforts. The community or neighborhood improvements cut across a wide spectrum of community affairs and interests and community groups are encouraged to bring programs forward.

These would be projects which do not require extensive plans and long-range planning but can be undertaken quickly. Communities across the country have such projects which receive low priority during times of economic distress and remain undone. These are, nevertheless, valuable projects which enhance the community, extend the useful life of many facilities and provide needed services. Not only does the community benefit from these improvements, which remain after the project has ended, but the young people also have the satisfaction of seeing a job well done—something both can point to with pride.

Some witnesses have urged targeting of funds. Figures show that unemployment among youth is not limited to any one area of the country or group in the economy. Rural areas have a substantial share of the unemployed and youngsters from all backgrounds experience employment problems. It is important, therefore, in a national program, to allow flexibility so each local area can meet its particular need.

We know funds are limited. If the program is targeted, we urge it be targeted to the age group 16 through 19. Youngsters in this age group will benefit the most from a program designed to provide developmental work opportunities. And, so will their communities.

Doubts have been expressed about the effectiveness of the program if provisions of Davis-Bacon are applied to every activity which could be carried out. We would share your concern if this were the situation. But we believe that projects carried out will not, for the most part, be blanketed under Davis-Bacon provisions.

The type of projects we see being carried out are smaller, local projects which would not otherwise be done. It is not viewed as a way to fund major rehabilitation and construction efforts by a local government.

Witnesses representing the construction trades appeared before the Senate Subcommittee on manpower and poverty and were asked thir views of the program and how the labor provisions would work. We were reassured by their answer.

The witnesses agreed there was much good, sound work which would be carried out under the program without triggering the full Davis-Bacon rates. The witnesses supported inclusion of the provision to protect unemployed adult workers. They supported opening this area to more young people and did not see the provision as an obstacle.

The labor unions with the greatest interest in the protections offered by Davis-Bacon are made up of members who also have a great interest in the future of our communities and of our young people.

In our meetings with these interested labor union officials, we have become convinced that—in a spirit of cooperation—we have worked out a legislative program that will provide us with flexibility and continue protection for the rights of older workers.

These union officials and representatives of the Labor Department have assured us that the intention here is to make the program a success, not to hamstring it.

We have taken those assurances on good faith, and we will hold those who gave us those assurances to account. They all have a stake in the success of this effort, and we know they would much sooner share in that success than be responsible for failure.

The problem of employment among this country's young is as complex as it is serious. It demands our best ideas and energies but we must begin. The risk of not responding is too great and the reward will be the future. Actions taken by your subcommittee will be that necessary beginning.

Mr. Hawkins. The next witness was partially introduced. I will complete the introduction.

We are very pleased to have before the subcommittee this morning Ronald V. Dellums who has been waiting very patiently. Unfortunately, we did not wait quite long enough to hear from him yesterday, for which the Chair apologizes. But certainly we are very pleased to have you before the committee this morning, Mr. Dellums. We know your great experience in this field, as a matter of fact, in the entire manpower field and we look forward certainly to your testimony.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. DELLUMS. Thank you very much, Mr. Chairman.

I am appreciative of the opportunity to testify before your subcommittee this morning and I am appreciative of the fact we had an opportunity to reschedule.

I am aware that you and members of the committee are also under extraordinary time constraints as well as the gentleman from California.

I might point out time does not permit me to stay to respond to any questions, but I will be more than happy to respond to any questions of the Chair or members of the staff. If you will submit these questions to me in writing, I will be happy to answer them promptly in as much detail as necessary.

I might indicate not only am I interested in the issue of youth unemployment in this country as a Member of Congress, but my testimony is based on a number of years involvement in the manpower program dealing with young people.

In the mid-60's I worked in a youth opportunity program in San Francisco, an OEO program funded by the Ford Foundation, the Department of Labor and the old President's Committee on Youth Crime and Delinquency.

I became the director of that program and later became a director of another program in San Francisco, the concentrated employment program, worked as a lead consultant and trainer in the private corporation providing manpower services to various community-based organizations and agencies in the Federal Government.

That experience, coupled with the benefit of an employment conference recently sponsored by the Congressional Black Caucus brings me to this moment.

We have participated with a number of very knowledgeable people over the last several months in evaluating proposed legislation and developing alternatives. I would ask that the full material I presented to the committee, including an analysis and proposal on youth employment be included in the permanent record of these hearings.

Mr. HAWKINS. Without objection, so ordered.

[The material referred to follows:]

Youth Unemployment: Analysis and Proposal

Almost all studies of the youth unemployment problem concur in their definition of the parameters of the problem. Stated simply, the unemployment rate of youth is continuing to rise regardless of the national unemployment rate. Even with vigorous national economic growth, youth unemployment as a problem of crisis proportions will not simply "go away." Basically, this paper summarizes prior analyses from a variety of recent papers and then presents alternatives for consideration in new legislation seeking to respond to the youth employment problem.

A. The "Unemployment" Rate of Youth

The unemployment level of Black teenagers has risen steadily since 1955 from 15.8% to 36.9%. 1/ The unemployment rate of Black 20 to 24 year olds has risen every year since 1965 from 10.8% to 23.2%. 2/ The recent upturn in the economy has reduced unemployment for all groups except Black youth.

Although data on the unemployment rate for youth have been given the major attention, the most critical differences in the employment status of White and Black youth is the difference in their Labor Force Participation (LFP) rates. Although adult Black men (25-64) have a labor force participation rate similar to White men, and adult Black women (25-64) have a higher labor force participation rate than White women, the labor force participation rate for Blacks, in the age categories 16-17, 18-19, and 20 to 24, is markedly less than Whites for the same age, sex, and educational status. Additionally, the LFP rate of Black male youth has dropped consistently for each age group since 1960, regardless of educational status, age, or the economic climate

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1/ Employment and Training Report of the President, Department of Labor, 1976.

2/ Ibid.

of the society. There are only two possible reasons for this difference by race. The first is that those Blacks who are now not in the labor force have been unable to find work, and therefore, have withdrawn from the labor force by ceasing to seek employment; the second is that many Black youth have never entered the labor force at all. Thus these youth are not counted as unemployed by the Department of Labor. The unemployment rate as determined by the Department of Labor is based on the number of persons who are unemployed as a percentage of the labor force participants. Thus by not seeking employment they reduce the unemployment rate twice, once by not being counted as unemployed and once by not being counted in the LFP rate. The Labor Force Participation Rate includes those who are employed plus those who have actually looked for a job during the past week (the unemployed). Thus, all those persons who are unemployed, but have stopped looking because they believe no jobs exist for them are not unemployed. In effect, then, the reported unemployment rate, (high as it is) is based on an artificial definition that obscures the seriousness of the problem.

An alternative, and more revealing way of examining the data is to look at the percent of all youth out of school who are employed, unemployed, and not in the labor force in terms of three different classifications of youth--In-School; High School Graduates; Dropouts. In this method we are not viewing the unemployed as a percent of those in the labor force, but rather as a percent of all persons in the classification, and can compare the percentage not in the labor force across the races and educational classifications. (See Table 1.)

[illegible]

Employment by Race, by Educational Status in 1975

16-24 yrs

	Employed	Unem-ployed	Not in Labor Force	Total
Enrolled in School (A)				
White	40.1%	6.5%	53.4%	100.0%
Black	21.7%	7.1%	71.3%	100.0%
Not-Enrolled in School				
High School Graduates (B)				
White	74.4%	9.4%	16.2%	100.0%
Black	60.6%	17.3%	22.0%	100.0%
Dropouts (C)				
White	49.2%	14.5%	36.4%	100.0%
Black	35.2%	19.2%	45.6%	100.0%

(A) In-School 1/

Young people in-school are seeking part-time or summer employment; by and large their motivation in job-seeking is income rather than career motivation. (This group represents 24% of all White youth and 33% of all Black youth who are unemployed or likely to desire employment.)

(B) High School Graduates--Out of School 2/

Those who are high school graduates or have had some college are likely to meet employers minimal expectation; some have specific skills to offer employers. By and large, they are seeking full-time jobs as a first step on a career ladder (34% of all White youth and 30% of all Black youth who are unemployed or likely to desire employment fall in this classification).

(C) Dropouts--Out of School 3/

Dropouts are the youth who have the most difficulty achieving entry into the labor force, and have the least to offer employers. These youth are most likely to be among the structurally unemployed and are likely to remain in that group throughout their lifetime, yet they also are seeking full-time jobs, and, no less than the high school graduates, are interested in gaining access to rewarding lifetime careers (this group represents 42% of all White youth and 37% of all Black youth who are unemployed or likely to desire employment.

1/ See Tables 1 and 3.
2/ See Tables 1 and 3.
3/ See Tables 1 and 3.

Thus, we are able to see from Table 1 that of all those in-school the percent looking for jobs who are unemployed is reasonably equal for Whites and Blacks and that the major difference is the markedly fewer Blacks than Whites who are employed (40% to 22%)and the substantially higher percent of Blacks not in the labor force (71% to 53%). For both White and Black Dropouts the percent employed is much lower than for High School Graduates although both are out of school seeking full-time jobs. The difference among unemployed Black and White dropouts is comparatively small (4%), but 14% more Whites are employed than Blacks, and 46% of Black youth in the dropout classifications are not in the labor force, (compared to 36% of White youth). By examining the unemployed from this more realistic point of view, we find that the largest number requiring service are the dropouts--both Black and White.

Table 2

Supply and Demand Equation of the Labor Market

SUPPLY	DEMAND
Characteristics of Youth	Characteristics of Labor Market
o Live in inner city neighborhoods; have difficulty (frequently impossibility) in reaching suburban jobs.	o Major shift of jobs, especially skilled and semi-skilled blue-collar jobs, from urban to suburban areas and from North to South.
o Cannot meet requirements for white-collar jobs; frequently do not want menial service jobs.	o Remaining jobs in the cities increasingly white-collar, and lower level service jobs.
o Have low reading and math achievement levels; lack experience.	o Preference of employers for more education, skills, and experience; and preference for employing White men 25-44 years of age.
o Lack of knowledge of labor market and tend to pursue entry-re-entry pattern; youth accept jobs that they do not want, and therefore, have high absenteeism, tardiness, and quit rates.	o Employers want employees who will provide stable work force.
o Have unrealistic wage expectations.	o Employers want employees whose productivity warrants wage rates paid.

As Table 2 demonstrates, given the disparity between the characteristics of youth, and the hiring standards of employers, large scale unemployment among inner city youth is likely to continue even if significant numbers of job vacancies become available unless considerable changes are made in both the supply and demand sides of the labor market.

Reordering priorities in the development of a youth strategy requires the definition of the segments of the youth population who suffer particularly severe unemployment problems, and are, therefore, the most appropriate numbers served, than the quality of placements; and therefore, the emphasis has been on serving as many persons as possible rather than investing in high quality service for fewer persons. Training programs have tended to be for a maximum of 20-26 weeks, permitting youth to acquire only those skills that industry can easily train for itself. The employment and training programs have focused on preparing people for jobs in the secondary labor market that are often not superior to the jobs that they would have obtained without participating in the program.

For most youth, the history of CETA and its predecessors has been merely a holding action, "an aying vat." When increased earnings have been reported they largely reflect the increased age and maturity of the participants, rather than any increased value attained through training and services received.

A brief review of the various programs illuminates their limitations:

Work Experience Programs including the Summer Youth Programs

This is the largest type of employment and training program for youth, and it focuses primarily on students. Essentially these programs, whether during the summer or year-round, are designed to put income into enrollees pockets rather than upgrading their employability.

Institutional and On-the-Job Training Programs

Gains in earning levels are obtained thrqugh increased labor force participation, (i.e., youth work more hours per week for more weeks), rather than higher earnings. OJT trainees record more gains than institutional training, at half the program cost. Length of training is rarely adequate to obtain access to skilled employment.

Public Service Employment

On-the-job training programs in the public sector are not usually available to youth.

Job Corps

The Job Corps program focuses on dropouts with the most severe employment problems. On the basis of Job Corps experience, total remediation is expensive, ($9,000 - $10,000 per person year), and useful for only a small number of youth who are willing and able to benefit. Follow-up placement services are essential if the participants are to record any real gains. Most importantly, no definitive and replicable "treatment" model has emerged.

Job Opportunities in the Business Sector (JOBS)

The cost has been typically around $3,000, but these funds have included the costs of hiring, training, and supportive services. The long-run effect on disadvantaged youth has been minimal. Employers received subsidies for hiring individuals similar to those they normally employed, and often they provided only few extra services.

Vocational Education

A comparatively small amount of federal, state, and local funds, combined, are allocated to providing service to the disadvantaged. The best programs are offered in Technical Institutes which limit their intake to those with high academic achievement. The variety of courses are limited at the high school level, and states and local communities are placing greater emphasis on the provision of skill training at the postsecondary level. All of these operate to the disadvantage of Black inner city youth.

State Employment Services (ES)

In 1973, only about one-third of all youth seeking employment made use of the Employment Service in their job search; and less than 6% used it as their most frequent source. Of those using the ES, approximately 14% actually found their last job through the ES. Placements were usually in secondary labor market jobs that youth might have obtained on their own.

D. Recommendations

Against the background of the failures of employment and training programs, proposed youth employment legislation foresees a major expansion of those same programs that have not improved the employability of youth in the past. Students are still likely to receive the highest priority, and school dropouts are still likely to be underrepresented, although they are most in need of service; and youth are likely to receive little save a limited increase of income for their efforts.

Youth account for about one-half of all unemployed; therefore, the overall unemployment problem cannot be solved without substantially reducing the level of youth unemployment. In fact, relieving the disproportionate burden of joblessness borne by young workers generally, and by Black youth particularly, could be considered an economic recovery strategy in itself. At the very least, it has to be regarded as a major focus of any economic recovery program. Since economic recovery alone has not improved youth unemployment rates over the past two decades for those 20-24 year olds or for teenagers, it is unlikely that either economic recovery or an expansion of existing programs alone is likely to solve the problem to any appreciable degree.

If real gains are to be made for those most in need of service, a major re-examination of the type of service that should be funded is essential. If major funds are to be invested, some of these funds must be invested to examine the whole problem of regularizing youth's transition from school to work, as well as an effort to design programs that will absorb the structurally unemployed into the mainstream of the labor force. Work experience programs have their purpose, but more permanent solutions addressing the root causes of youth unemployment must be developed. The Black Caucus is considering alternative solutions designed to deal with the causes of youth employment problems and is particularly concerned with their affect on those most severely injured by the present system--the Black urban youth.

Two overall approaches are being considered--one that deals with improvement of program content in approaches designed for youth, the other by exploring alternative economic solutions that are likely to be particularly beneficial to youth. Since these are alternatives, it is not proposed that all alternatives be available to all youth.

1. Program Content Issues

Subsidized Employment

Subsidized employment opportunities should be sought for youth with both public and private employers in both large industry and in small businesses that offer valuable training opportunities. Placements should be selected in terms of the likelihood that youth will obtain training and/or experience that will permit them to attain permanent access to the primary labor force. On-the-job training, as appropriate, would be provided by the employer. Placements should be for a period of two years. Fifty percent of the youth so placed should be 21-24 years of age, and 50% under 21 years of age. Youth should be selected on the basis of their family income, race, and sex of the unemployed youth in the local political jurisdiction. For the first six months, the youth should be paid 80% of the average entry wage paid persons in the occupation in the jurisdiction; 90% for the second six months; and 100% for the second year. During the first six months, 50% of the wages should be contributed by the federal government; 45% during the second six months; and 40% during the second year. (We can expect an average entry wage of $8,000 per year; this would require a government contribution of $3,20 per year for two years. The employer's share of the salary ~~would~~ average $3,600 for the first year, and $4,800 for the second year. (The assumption is that the employee would increase his/her value to the employer as s/he gained skills and experience.) The trainee would earn $6,400 the first six months, $7,200 the second six months, and $8,000 the second year. Five hundred dollars per trainee should be provided to the local or state CETA for services to the trainees. One billion dollars would provide approximately 270,000 slots per year. A program of this nature combining selective public and private subsidized employment should be a major component of any youth legislation.

Transition from School to Work

Although there have been task forces exploring the issue of transition from school to work, no research has been undertaken to deal seriously with long-range solutions to the issue of regularizing the transition of young people from school to work. Experimentation with new policies and programs must be undertaken so that a start can be made in developing models that will attack the roots of the problem. Federal funding should be large enough to attract state (and local) commitments of youth employment and training and vocational education funds of sufficient magnitude to test different systems. In order to assure that positive findings can be replicated, each effort should be carefully evaluated from the beginning to provide data on the usefulness of each tested model.

Public Works

All public works bills should be amended to require the employment of one youth trainee for every five adult employees (trainees to be allocated

50% to those 21-24 years of age, and 50% to those 18-21 years of age). Trainee wages should be pegged to a percentage of journeyman wages.

. The Public Works Act should emphasize rehabilitation in the central cities to make them habitable and to decrease the continuing pressure on the low- and moderate-income housing market. This approach would be more labor intensive and would produce more jobs for inner city youth, as well as for construction workers, than the types of programs that are presently being funded, frequently to build non-essential public buildings.

State Employment Service (ES)

An improved ES placement service emphasizing its role as a Labor Exchange would not only improve services to youth, but could also have an economic impact. Paucity of data makes it difficult to determine by how much unemployment could be reduced, if openings listed with ES were rapidly filled, but the difference should be considerable. If employers were required to list all jobs with the ES as a requirement of the Unemployment Compensation system, more jobs would be available for more referrals; this would also reduce unemployment and in turn would have its effect on the economy.

2. Programs Affecting the Economy

Employment Tax Credit

An Employment Tax Credit targeted on providing a tax credit to employers based on the employment of additional youth should be studied. Such a tax is expected to produce low-skilled blue-collar jobs, which should increase employment of Black youth. This could be substituted for the investment tax credit currently in effect, which apparently works against increased employment of Black youth. 1/

1/ E. R. Berndt, J. R. Kesselman, and S.H. Williamson, Tax Credits for Employment Rather than Investment, Institute for Research on Poverty,

Social Security and the Minimum Wage

A lower minimum wage for youth is often suggested as a means of increasing youth employment. Bernard Anderson's study indicates that a youth wage below minimum wages would exacerbate the problems which characterize the employment of youth, such as high turnover rates. Also it has been predicted that a reduction of minimum wage for teenagers could create 800,000 jobs for youth, but could also simultaneously reduce adult employment by about 500,000, a very questionable price to pay. An alternative approach to reducing the cost of employing youth without reducing the take home pay of the working youth is needed.

One option to be explored is utilization of the social security system to encourage employers to hire youth. If employers were relieved of paying their share of the Social Security tax for youth, the youth would continue to receive income at the minimum wage level, but employing youth would become more attractive to employers. In effect, employers would be saving 5.8% of the youth's salary. The funds in the Social Security system could be made up over the years, and in any case, if youth are not employed, no social security contribution would be made at all.

Unemployment Compensation

An in-depth study of Unemployment Compensation is long overdue. It is important to determine whether its present administration encourages youth to remain unemployed, particularly in its extended time coverage, and permits youth to refuse jobs because they are not "suitable" with no time limitation for a "cut-off."

Research in Subsidized Youth Employment

The impact of investment in subsidized youth employment programs as an immediate economic stimulus warrants further study. Much of the proposed tax reduction to adults and families will be allocated to debt reduction, whereas youth are likely to put any money they earn directly into the purchase of goods, thereby providing an immediate stimulus to the economy.

Agency Structure and Allocation Formula

Whatever programs are instituted, the state and local CETA structure already in place should have the responsibility for any new youth programs. However, a new formula should be developed to allocate funds to jurisdictions where youth and their problems are concentrated. Such factors as incidence of poverty based on family income, low labor force participation rate, low employment rate and high unemployment rates, and youth population (as opposed to total population) should be included in any allocation formula.

Mr. **Dellums**. The challenge of youth employment is probably one of the most difficult questions of economic policy we face today. It seems unresponsive to traditional economic policy. It does not have an organized and politically sophisticated interest group pressing for solutions; on the contrary, it is a source of alienation and hopelessness. It is a social time bomb for the future, and not only an economic waste today.

I might add, we are probably the only industrialized society that has not systematically dealt with how to make a smooth transition from the young people from school to a place of employment.

I have noticed that the automatic prescription of the traditional American ideologies simply have not succeeded with this specific problem. The liberals say, "stimulate the economy in the traditional way, and supplement any difficult problems with retraining programs." The conservatives say, "repeal the minimum wage and cut down on social benefits that make it costly to hire people."

When we look at the record, either approach—although there are sound arguments for both—seems to work. In view of the importance of the problem, I think we need, first, to examine the specific framework of the youth unemployment problem in order to devise policy to meet this problem head-on.

Second, we need to go beyond ideologies and take what is really helpful from both approaches.

Unfortunately, The Carter administration appears to be offering the old shopworn programs of the sixties. It is my sincere hope that there will be an evaluation of the administrations' proposals and significant changes made.

Almost all studies of the youth employment problem concur in their definition of the parameters of the problem. Stated simply, the unemployment rate of youth is continuing to rise regardless of the national unemployment rate. Even with vigorous national economic growth, youth unemployment is a problem of crisis proportions which will not simply go away. Particularly of concern is the problem of minority and black youth. The unemployment level of black teenagers has risen steadily since 1955 from 15.8 percent to 36.9 percent. The unemployment rate of blacks 20 to 24 years old has risen every year since 1965 from 10.8 percent to 23.2 percent. The recent upturn in the economy has reduced unemployment for all groups except black youth.

The data shows that all of those who are now in school, the percent looking for jobs who are unemployed is reasonably equal for whites and blacks and that the major difference is the markedly fewer blacks than whites who are unemployed (40 percent to 22 percent) and the substantially higher percent of blacks not in the labor force (71 percent to 53 percent).

Thus the real unemployment rate for black youth is considerably higher than indicated by DOL statistics. For both white and black dropouts the percent employed is much lower than for high school graduates although both are out of school seeking full-time jobs. The difference among unemployed black and white dropouts is comparatively small (4 percent), but 14 percent more whites are employed than blacks, and 46 percent of black youth in the dropout classifications are not in the labor force, (compared to 36 percent of white youth). By examining the unemployed from this more realistic point of view, we find that the largest number requiring service are the dropouts—both black and white.

Given the disparity between the characteristics of youth and the hiring standards of employers, large scale unemployment among inner city youth is likely to continue even if significant numbers of job vacancies become available—unless considerable changes are made in both the supply and demand sides of the labor market.

Reordering priorities in the development of a youth strategy requires the definition of the segments of the youth population who suffer particularly severe unemployment problems, and are, therefore, the most appropriate to be served. The emphasis has been on serving as many persons as possible rather than investing in high quality service for fewer persons. The old numbers game. Training programs have tended to be for a maximum of 20 to 26 weeks, permitting youth to acquire only those skills that industry can easily train for itself. The employment and training programs have focused on preparing people for jobs in the secondary labor market that are often not superior to the jobs that they would have obtained without participating in the program at all.

For most youth, the history of CETA and its predecessors has been merely a holding action, "an aging vat." When increased earnings have been reported they largely reflect the increased age and maturity of the participants, rather than any increased value attained through training and services received.

Against the background of the failures of employment and training programs, proposed youth employment legislation foresees a major expansion of these same programs even though they have not improved the employability of youth in the past, and it seems to me can be well documented. Students are still likely to receive the highest priority and school dropouts are still likely to be underrepresented, although they are most in need of service. Young people are likely to receive little save a limited increase of income for their efforts.

Young people account for about one-half of all unemployed; therefore, the overall unemployment problem cannot be solved without substantially reducing the level of youth unemployment. In fact, relieving the disproportionate burden of joblessness borne by young workers generally, and by black youth particularly could be considered an economic recovery strategy in itself. At the very least it has to be regarded as a major focus of any economic recovery program. Since economic recovery alone has not improved youth unemployment rates over the past two decades for the 20 to 24 year olds or for teenagers, it is unlikely that either economic recovery or an expansion of existing programs by themselves is likely to solve the problem to any appreciable degree.

If real gains are to be made for those most in need of service, a major reexamination of the type that should be funded is essential. If substantial funds are to be invested, some of these funds must be invested to examine the whole problem of regularizing youth's transition from school to work, as well as an effort to design programs that will absorb the structurally unemployed into the mainstream of the labor force.

Work experience programs have their place but more permanent solutions to address the root causes of youth unemployment must be developed. The Black Caucus is advocating alternative solutions designed to deal with the causes of youth unemployment problems and we are particularly concerned with their effect on those most severely injured by the present system—the black urban youth.

Two overall approaches are being suggested: one that deals with improvement of program content in approaches designed for youth, the other by exploring alternative economic solutions that are likely to be particularly beneficial to youth.

Subsidized employment opportunities should be sought for youth with both public and private employers in both large industry and in small businesses that offer valuable training opportunities. Placements should be selected in terms of the likelihood that youth will obtain training and/or experience that will permit them to attain permanent access to the primary labor force. On-the-job training, as appropriate, would be provided by the employer. Placements should be for a period of 2 years. Fifty percent of the youth so placed should be 21 to 24 years of age, and 50 percent under 21 years of age. Youth should be selected on the basis of their family income, race, and sex of the unemployed youth in the local political jurisdiction. For the first 6 months, the youth should be paid 80 percent of the average entry wage paid persons in the occupation in the jurisdiction; 90 percent for the second 6 months; and 100 percent for the second year. During the first 6 months, 50 percent of the wages should be contributed by the Federal Government; 45 percent during the second 6 months; and 40 percent during the second year.

A program of this nature combining selective public and private subsidized employment should be a major component of any youth employment legislation.

Although there have been task forces exploring the issue of transition from school to work, no research has been undertaken to deal seriously with long-range solutions to the issue of regularizing the transistion of young people from school to work. Experimentation with new policies and programs must be undertaken so that a start can be made in developing models that will attack the roots of the problem. Federal funding should be large enough to attract State (and local) commitments of youth employment and training and vocational education funds of sufficient magnitude to test different systems. In order to assure that positive findings can be replicated, each effort should be carefully evaluated from the beginning to provide data on the usefulness of the tested model.

All public works bills should be amended to require the employment of one youth trainee for every five adult employees. Trainee wages should be pegged to a percentage of journeyman wages.

At some point in this country we need to embark on policies that establish opportunities for young people to penetrate the world of employment.

The Public Works Act should emphasize rehabilitation in the central cities to make them habitable and to decrease the continuing pressure on the low-and moderate-income housing market. This approach would be more labor intensive and would produce more jobs for inner city youth, as well as construction and would produce more jobs for inner city youth, as well as for construction workers, than the type of programs that are presently being funded, frequently to build nonessential public buildings.

An improved ES placement service emphasizing its role as a labor exchange would not only improve services to youth, but could also have an economic impact. If employers were required to list all jobs with the ES as a requirement of the unemployment compensation system, more jobs would be available for more referrals; this would also reduce unemployment and in turn would have its effect on the economy.

An employment tax credit targeted on providing a tax credit to employers based on the employment of additional youth should be studied. Such a tax is expected to produce low-skilled blue-collar jobs, which should increase employment of black youth. This could be substituted for the investment tax credit currently in effect, which apparently works against increased employment of black youth.

A lower minimum wage for youth is often suggested and is totally unacceptable as a means of increasing youth employment. A study by Bernard Anderson indicates that a youth wage below minimum wages will exacerbate the problems which characterize the employment of youth, such as high turnover rates. Also it has been predicted that a reduction of minimum wage for teenagers could create 800,000 jobs for youth, but could also simultaneously reduce adult employment by about 500,000, a very questionable price to pay. An alternative approach to reducing the cost of employment youth without reducing the take-home pay of the working youth is needed.

One option to be explored is utilization of the Social Security system to encourage employers to hire youth. If employers were relieved of paying their share of the social security tax for youth, the youth would continue to receive income at the minimum wage level, but employing youth would continue to receive income at the minimum wage level, but employing youth would become more attractive to employers. In effect, employers would be saving 5.8 percent of the youth's salary. The funds in the Social Security system could be made over the years, and in any case, if youth are not employed, no social security contribution would be made at all.

An in-depth study of unemployment compensation is long overdue. It is important to determine whether its present administration encourages youth to remain unemployed, particularly in its extended time coverage, and permits youth to refuse jobs because they are not "suitable" with no time limitation for a "cut-off."

The possibility of using investment in subsidized youth employment programs as an economic stimulus program warrants further study. Much of the proposed tax reduction to adults and families will be allocated to debt reduction, whereas youth are likely to put any money they earn directly into the purchase of goods, thereby providing an immediate stimulus to the economy.

I might point out at the point where we as Members of Congress voted the $50 stimulus package program, one of the reasons why several of us thought it would not work is that the $50 probably would go to people to reduce debts, pay off high fuel bills that occurred during the winter. But there is a group of people in our society for whom we have not provided the opportunity to get into debt. So any investment we get to enhance and improve the opportunities of young people to work and earn an income, it seems to me this becomes a direct stimulus to the economy. They will take that money, they don't have to retire debts because they don't have any, and, therefore, they can purchase goods and services and thereby stimulate the economy.

Whatever programs are instituted, the State and local CETA structure already in place should have the responsibility for any new youth programs. However, a new formula should be developed to allocate funds to jurisdictions, where youth and their problems are concentrated. Such factors as incidence of poverty based on family income, low labor force participation rate, low employment rate and high unemployment rates, and youth population (as opposed to total population) should be included in any allocation formula.

Specifically regarding H.R. 6138, I have the following comments. A specific list of recommendations is attached to my testimony.

As a matter of policy the preamble should include, that, one, youth employment services are to be established in a manner consistent with laws that prohibit racial and sexual discrimination.

Two, the bill should provide manpower services and training, not simply jobs. The goal here should be sufficient career exploration opportunities to lead to permanent career employment in the primary labor market.

Three, it should be specifically stated that the exceptionally high unemployment rates for black youth merits special attention and allocation of funds.

Four, there should be a sense that programs to provide employment opportunities for youth shall include special efforts to reach women, particularly in programs such as conservation corps which have traditionally reached largely male groups.

Regarding part A of this bill, I must strongly emphasize that I have a great concern about this section despite a recognition of the political realities which will likely result in its enactment. As to part A, I have the following comments:

One, the 16 to 22 age group should be the target. This point should be applicable to all sections.

Two, education, training and employability should be written in. Education credit section should be strengthened to include more education and career counseling activities through seminars and other special sessions. (note: language to this effect was removed prior to introduction of the bill).

Three, 75 percent of the funds under this section should go to State and local parks to get closer to urban areas.

Regarding part B, I would recommend:

One, that the bill target 16 to 22 age group.

Two, that income be targeted to those from households not exceeding 70 percent of the lower living standard income level.

Three, that education, training and employability should be written in.

Four, that the CETA delivery system, be retained in the bill, but make explicit provision for sub-contracting to community-based organizations.

Five, that the countercyclical component of the bill should be limited to this section.

Six, that funds to be used for employment over equipment; tie this program to other Federal programs which provide for equipment (e.g. HUD, EDA).

In regard to part C, I believe that:

One, we should target 16 to 22 age group, but also include 14 to 16 year olds where there is a school-to-work transition program.

Two, include income targeting to those from households earning under 70 percent of the lower living standards income level.

Three, write education, training and employability into all sections of the bill.

Four, target geographical areas having large numbers of low-income unemployed youth.

Five, we should retain 50 percent of the allocation as discretionary money. Remove targeting requirements from this section. Innovative programs should be selected to emphasize service to youth in low-income areas.

Six, we must stress community-based organizations in funding (through CETA mechanism) for the formula grants.

Seven, we should pay stipends rather than wages under the formula grants of part C.

Eight, States should be encouraged and should encourage their prime sponsors to undertake innovative programs based on the available data, utilizing the formula grant funds.

Nine, a component providing technical assistance to sponsors for program and operation should be written into the bill, particularly for the formula grant funds.

Ten, we should retain the CETA delivery system, but make explicit provisions for subcontracting to community-based organizations.

Eleven, we should consider a modified apprenticeship concept, with 2-year training.

Twelve, an antidiscrimination mechanism should be written into the unrestricted funds program of part C so that detailed data will be gathered to determine the success of innovative programs. Results of the evaluation should be disseminated. This should be the Secretary's responsibility.

Finally, I have some comments on the subject of the administration of the bill.

One, an office of Inspector General should be established similar to that under the Office of Economic Opportunity.

Two, we should create a youth section in the Manpower Administration; a separate office for youth employment should be established within the Labor Department, with responsibility for all youth programs including summer youth programs and job corps which should be coordinated with those operating within CETA titles I, II and VIII to avoid duplication of services. At the same time as new youth programs are established, evaluation of the suitability of existing programs for youth should be made.

Three, a clearinghouse should be established to gather and disseminate information not only on placement, but on all youth employment-related activities. The Department should be responsible for disseminating data on innovative programs.

Four, an interagency advisory council, including all Federal agencies and national community agencies, should be established to coordinate interest organizations and lever all other Federal funds.

Five, the Wagner-Peyser Act should be totally reexamined in the future.

Six, in the development of the regulations, the Department of Labor should include outside groups such as national community organizations and public interest organizations to help develop the regulations.

Thank you, Mr. Chairman, and members of the committee for an opportunity to present my remarks on a problem I think is very important and very serious; that is, the problem of youth unemployment in this country.

Youth unemployment is over 50 percent for young people. Between the ages of 21 and 24 it is at 25 percent. If we maintain the status quo, young people between the ages of 25 and 30 may be unemployed at the rate of 55 percent.

I would appreciate whatever activities this committee can engage in to help in this problem.

Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you for an excellent presentation.

Although you have indicated that in order to conserve time you would be willing to have questions submitted to you in writing and to answer them in like manner, I will, however, entertain one or two questions from some of the members who may wish to follow up on a particular point.

However, we have a long list of witnesses and I do hope that we will not consume too much time in questioning any one witness. However, the Chair will entertain questions at this time. I hope my remarks have not insulted members of the committee to the point that they will not ask you something.

Any questions?

If not, Mr. Dellums, I assume we will use the process you indicated.

Thank you very much for your cooperation.

Mr. DELLUMS. Thank you, Mr. Chairman, I appreciate the opportunity.

Mr. HAWKINS. The next witness is the Honorable Newton Steers of the U.S. House of Representatives of the 8th District of Maryland.

Mr. Steers, we are delighted to welcome you to the committee. I think this is your first appearance before us and we certainly look forward to your testimony, which I am sure will be most helpful to the committee.

The testimony in its entirely will be entered in the record and you may proceed to give us the highlights of your testimony, Mr. Steers.

STATEMENT OF HON. NEWTON STEERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND, ACCOMPANIED BY RUDOLPH P. SAVAGE, JR., EMPLOYMENT PROGRAM COORDINATOR, MIDDLE EARTH YOUTH SERVICES

Mr. STEERS. Thank you. I appreciate this opportunity to testify before your committe to discuss the bills proposed to help solve the problem of youth unemployment, including H.R. 1731, the Comprehensive Youth Employment Act of 1977, which I introduced on February 1, along with my distinguished colleague from Illinois, Mr. Paul Simon.

Due to a markup going on in my committee, I have to limit my remarks.

The problem of youth unemployment is especially bad in Montgomery County, which I represent. This may come as something of a surprise because Montgomery County has the reputation of being very affluent. It is the exact opposite, I suppose, of some of the inner city districts which others represent.

Nevertheless, we have a problem. Last summer two deaths resulted from acts of violence in my county. These resulted from these teenagers having nothing to do and the lack of any employment program like the ones contemplated by this subcommittee.

Juvenile crime, we believe, is mainly the result of juvenile idleness which can be disastrous, as indicated by the tragic events in Montgomery County.

Before introducing a witness with first-hand knowledge of these problems, I would like to add one more point. I would like to urge this committee to think carefully before agreeing to any limitation based on income or unemployment rate. The effect of such guidelines or limitations would be very harmful in my district. I believe that an out-of-work teenager has problems no matter where he or she lives, whether it is in a State with a high-unemployment rate or with a low one.

You will find that I have made other suggestions in my written testimony regarding H.R. 6138 and I appreciate your consideration of these comments.

[The written statement of Newton Steers follows:]

PREPARED STATEMENT OF HON. NEWTON I. STEERS, JR., BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. Chairman, I appreciate this opportunity to discuss the bills proposed to help solve the problem of youth unemployment, including H.R. 1731, the Comprehensive Youth Employment Act of 1977, which I introduced on February 1, along with my distinguished colleague from Illinois, Mr. Simon.

UNEMPLOYMENT AMONG YOUTH

Everyone familiar with the general problem of unemployment in the U.S. is aware of the special problems that hit teenagers. The glum statistics are as enlightening as they are alarming. For the past two years, the unemployment rate for teenagers 16 to 19 years of age has averaged 30 percent, almost *triple* the rate for adults. For black teenagers, the rate has remained nearly 40 percent and, in some cities, even higher. Fully *half* the total number of jobless Americans, in fact, are teenagers. This group is estimated to be as high as 3.5

million people. Even this figure fails to take into account the young people who have become fed up with job-hunting and are no longer counted as unemployed.

In addition to the sense of personal worthlessness which unemployment inevitably brings, the consequences to the community are just as devastating. First and foremost, of course, is the scourge of crime—a problem no longer confined solely to urban ghettoes, but rapidly spreading to suburban and even rural settings such as Montgomery County, Maryland, which I represent. The economic effects of unemployment, furthermore, have a tendency to mushroom into a dangerous cycle. A lack of income often forces our Nation's youth into substandard housing and underfunded schools. Their low esteem and frustration can also lead to their increased use of hard drugs and to excessive drinking. The presence of drug addiction and alcoholism can only feed back into the original problem of bad schooling and housing. And all these factors combined lead to an increase in the crime problem.

It is not yet too late to start attacking these problems by attacking one of its fundamental roots—youth unemployment. The provisions of the Comprehensive Youth Employment Act of 1977 would help end the cycle of unemployment and crime by encouraging the private sector as well as the public sector to create meaningful jobs.

I am aware of the other fine bills designed to reduce teenage unemployment that have been proposed both in the House and Senate. Several of them, in fact, include some of the provisions of H.R. 1731, the bill introduced by Mr. Simon and myself. I also congratulate the Administration for the various constructive measures contained in its own bill, H.R. 6138. I would like at this time, however, to discuss some of the specific provisions in H.R. 1731 which I believe are essential to the success of our common efforts to eliminate once and for all the scourge of youth unemployment.

H.R. 1731

H.R. 1731 represents a comprehensive approach to the problem of youth unemployment. The first title of my bill would amend the Comprehensive Employment Training Act of 1973 (CETA) by creating a new title, "Youth Employment and Community Service Programs," consisting of four parts. The second and third title of H.R. 1731 would establish a National Conservation Corps for youths 19 to 23 years of age, and revitalize and expand the Job Corps.

TITLE I

The programs established under the new title of CETA would all be involved in establishing new jobs and counseling programs for young people.

Part A would help local communities by funding programs to employ youth in the rehabilitation of existing housing and the improvement of public facilities. The type of community-conservation projects funded would be the same as those proposed by the Administration in Part B of its bill. I am therefore quite pleased that the basic strategy of linking neighborhood improvement to the elimination of youth unemployment appears to be an idea whose time has come. I would urge the Subcommittee to support strongly this concept and provide enough funding so that all areas of the country—even those in states without exceptionally high rates of unemployment—are treated fairly.

Part B of my bill would provide youth with opportunities to acquire and develop skills needed to work in private enterprise—the source of over 80 per cent of the nation's jobs. Counseling and training costs of the employer would be reimbursed so that young persons could learn the basic skills they need to find and keep jobs in the private sector. The flexibility of the private sector in hiring youth, compared to the often slow and ponderous requirements that must be met to create public service jobs, is certainly an asset of which Part B of H.R. 1731 takes advantage. I would therefore urge that this Subcommittee seriously consider including in any bill it marks up incentives for private employers to train teenagers.

Part C of Title I would provide in-school youth with the chance to gain job experience prior to completing their secondary education. Participating employers would be reimbursed for the costs of recruitment, guidance, and counseling.

The final part of Title I of my bill, Part D, provides career counseling, job information and job guidance to work-bound high school, junior college, and out-of-school youth. The resources of the Labor Department would be used to coordinate and compile the date that is so obviously needed to help young people choose occupations in which they will have a reasonably good chance of finding future employment.

The main thrust of Parts C and D of my bill is to link together the federal government's support of youth employment and its support of education. The experience gained in school, after all, should give our Nation's teenagers the skills they need to succeed in the difficult transition into the world of work.

I would therefore like to express my pleasure with Part C of the Administration's bill, H.R. 6138. This also supports counseling, occupational information and on-the-job training. A decision by this Subcommittee to look favorably upon these provisions would be most welcome.

In addition, I would like to urge this Subcommittee to add language that would explicitly establish a job-information system to collect and disseminate data of relevance to the unemployed youth of each local community. This could be accomplished by adopting the National Occupational Information Coordinating Committee and other related measures proposed by Senators Javits and Humphrey in their amendments to S. 1242 (the Senate bill identical to H.R. 6138).

TITLES II AND III OF H.R. 1731

Title II of my bill would establish a National Conservation Corps to give youths up to the age of 24 the opportunity to work on projects in the national parks and forests. Young people funded under Title II would be involved in such activities as fire-fighting, reforestation, campground improvement, and other tasks related to conservation. I am most pleased to see that Part A of the Administration's bill also establishes a Young Adult Conservation Corps along the lines of Title II of H.R. 1731.

Finally, Title III of my bill would significantly expand the Job Corps by providing an additional $150 million yearly above the current funding level.

The jobs created from the funding of all three titles of H.R. 1731, or as a result of any other bill which includes these provisions, will make use of an untapped resource and add many dollars to the Gross National Product. These jobs will also re-establish that dignity and self-respect that young people naturally acquire when they see how their labor is helping to benefit other people around them. In my district of Montgomery County, though the youth unemployment rate is probably less than half the inner-city rate, the human toll is comparable. Bored teenagers in the suburbs turn to the same outlets as frustrated youth in the cities. Two problems that are present to an unusually high degree in Montgomery County are mental health problems and alcoholism, both of which are responsible for increasing crime.

I would therefore request that this Subcommittee look carefully at the effect of all income-level requirements included in H.R. 6138 or in any other bill considered in mark-up. I would respectfully submit that an out-of-work teenager's eligibility to participate in an employment program should not be determined solely or primarily by how many unemployed persons happen to reside in each individual state. I recognize that the resources available to help solve youth unemployment are limited and that the jobless rate should be one criterion used to allocate funds under a youth-employment bill. Nonetheless, I believe that no one could deny that the plight of an idle teeenager who happens to live in a state with an "average" or even "below average" unemployment rate is just as distressing as the plight of other young people who are out of work.

Mr. Chairman, I know that this outline of the problem of youth employment and the solutions proposed by the Comprehensive Youth Employment Act of 1977 does not fully convey the great economic and statistical cost that high unemployment among teenagers brings to the nation as a whole. But I hope have suggested at least a small sense of the loss of dignity and self-worth which teenage idleness brings to each one of them individually.

I hope your Subcommittee will try to address this human loss by favorably reporting a bill with the provisions of the Comprehensive Youth Employment Act of 1977. Let us try to attack the problem of crime and human purposelessness at its source and work toward eliminating the dreadful scourge of youth unemployment.

Mr. STEERS. I would like to introduce Mr. Pat Savage. He is the employment program coordinator of a youth service program located in Kensington, Md., part of my eighth congressional district.

Mr. Savage has first-hand knowledge of the problems of youth unemployment and with the various programs both local and Federal designed to solve youth unemployment. He is especially knowledgeable on the strengths and weaknesses of CETA.

Mr. Savage will also present a summary of his written testimony and then will submit to any questions any members of this committee may have.

With your permission, may I ask Mr. Savage to take over.

Mr. HAWKINS. Mr. Savage, we are delighted to have you before us. Your written document in its entirety will be printed in the record and you may proceed to summarize your statement as you so desire.

Mr. SAVAGE. Mr. Chairman, I would like to thank you and the members of this subcommittee for letting me appear and address the serious issue of youth unemployment. I am the youth employment program coordinator at the Middle Earth Youth Service Center. My job is to directly work with the unemployed, not in school, youth in an area of Montgomery County, particularly the 17- and 18-year-old youth that have dropped out of school.

In order not to take your time to repeat the awesome dimensions of the youth unemployment problem, I will address the provisions of the administration bill H.R. 6138, drawing upon my personal experience in the area and the relevant provisions of H.R. 1731, cosponsored by the Honorable Newton Steers. To allow time for questions, which I am sure you will have, I will briefly summarize the points I made in the written testimony submitted for your study.

I support the two programs, parts A and B of H.R. 6138 and H.R. 1731, part A, which is similar to the community service projects which have been successful for both the youth I supervised and the community served. However, both programs have shortcomings in that they only provide temporary employment. To overcome this limitation to some extent, I would like to suggest we allow the time for pursuing counseling and orienting the skills utilized in the project to skills that could be utilized in private sector employment at the end of this subsidized period.

A major issue is the determination of the eligibility of participants. In my written testimony, I spoke about the need to lower the age limits to 14- and 15-year-olds and the necessity of establishing a rent-a-youth program to serve these youths. I suggested the establishment of a separate percent of unemployment rate to serve truly needy youth.

Lastly, the low-income families. This unfortunately leaves out many youth who need the work not only for financial necessity. Can we honestly say to the Nation that the only needy youth are unemployed inner city youth? I hope not.

We must be aware that the purpose of youth development is not only to help them financially, but to develop the skills, responsibility and maturity that will serve them in the future to find jobs.

Table 3

Summary of Paper

Black Youth	Actual Unemployment Rate*	Type of Unemployment**	Type of Programs Presently Offered ***	Possible New Programs****
In-School TYPE A	32.8%	Frictional	CETA - Work experience Summer Program Vocational education	Transition from school to work. Improved ES services.
Out of School TYPE B High School Graduates and above	30.3%	Cyclical	On-the-job training JOBS Institutional Training Work Experience	Subsidized public and private employment Public Works Act Improved ES services.
TYPE C Dropouts	36.9%	Structural	Job Corps Work Experience	

* White Labor Force Participation rate minus Black Labor Force Participation rate plus reported unemployment rates equals actual unemployment rate.

** Each group falls typically, but not exclusively, in these categories.

*** The limitations of these programs are described in the section--Assessment of Current Programs.

**** Programs affecting the economy would impact all groups.

First, the eligibility of applicants must be based upon a per centum of unemployed youth within a geographical area.

Second, you might consider leaving the decisions of who needs the most help to the local jurisdictions within each State.

An important component of any effective unemployment legislation is the provision for supportive services. This issue is addressed in part C, section 831, line 18 of H.R. 6138 and in part B, section 2, section 725 of H.R. 1731. I fully support these sections of the proposed legislation. I have found that especially in suburban and rural areas, transportation is a major obstacle in a youth's ability to obtain and sustain employment. The availability of supportive services such as day care, medical assistance, social security, and counseling would place youth in a far better position to obtain gainful employment and to sustain this employment.

One of the supportive services that is of particular importance is counseling, both personal and career. Section 2 section 832 (c) of H.R. 6138 alludes to this counseling. I feel this should be amended to say specifically, "personal and career counseling." It has been my experience that ignoring the personal problems of youth only results in the inability to obtain employment or to maintain employment. Many times youth are unable to separate their personal lives from their work lives and need guidance in this area to prevent unemployment because of personal problems. The career counseling should not only include orientation to careers in the youth's home areas, but should also include preparation in the area of job search skills. Youths should be introduced to the ABC's of finding employment openings and subsequently applying for jobs now and in the future.

Presently, I have developed a job workshop that incorporates these and other ideas. The goal is to teach youth the basic skills of finding a job which can hopefully be transferred to future attempts to locate job openings and obtain employment, thereby eliminating the need to use public employment services at future dates. The goal then is both short term (helping youth find a job now utilizing the basic search skills) and long-term (how to depend on yourself to find a job in the future).

An important source of information to aid in career counseling is the establishment of an occupational information center alluded to in section 2, section 838 of H.R. 6138 and in part D of the Simon-Steers bill H.R. 1731. Today, most career information must be modified by those who utilize it in counseling to meet the needs of youth, or much wasteful time is spent locating already existing materials. If this information could be centrally located, oriented specifically to youth and available to both public and private nonprofit organizations, this would be a major step in bridging the gap found in today's career counseling.

Another issue of concern to me is that of program evaluation. H.R. 6138 states in section 853, lines 7, 8 and 9, that all programs shall be subject to evaluation. I, too, feel that all programs, whether public or privately administered, should come under the same scrutiny. A major issue in Montgomery County, at this time, is the overscrutinization of private programs while the public programs continue from year to year with no substantial evaluation. I would like to see any new legislation include safeguards to assure that this practice does not continue and is not generated in other parts of the country.

I would like to stress another important issue, that of providing opportunities for youth to obtain skills that facilitate their entering into, or movement from subsidized programs into private sector employment. This must be our goal in order to keep the costs of these proposed programs to a minimum, thus allowing maximum provision of services.

This issue has been addressed to an extent in the proposed legislation. I feel this area needs to be the cornerstone of any comprehensive employment package.

In summary, my comments have covered some, but not all, of the many areas of the administration's bill, H.R. 6138, and the Simons-Steers bill, H.R. 1731. Each of my comments has been offered in an effort to insure that programs aimed at providing only temporary employment are restructured to add some long-range components and to insure that the effectiveness of the legislation is not only in reaching affected youth, but also in providing comprehensive services to the unemployed youth. I would hope that in your wisdom you will draw upon the many bills and comments by those before me, those after me and myself in passing a truly comprehensive and effective employment package for our youth.

Thank you again for your time and attention.

[The complete statement of Rudolph Savage follows:]

YOUTH UNEMPLOYMENT TESTIMONY BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES, REGARDING H.R. 6138

Mr. Chairman, I would like to thank you and the members of this subcommittee for letting me appear and address the serious issue of youth unemployment. I am Pat Savage, the youth employment program coordinator at the Middle Earth Youth Service Center. My job is to directly work with the unemployed, not in school, youth of an area of Montgomery County. In order not to take your time to repeat the awesome dimensions of the youth unemployment problem, I will address the provisions of the administration bill H.R. 6138, drawing upon my personal experience in the area and the relevant provisions of H.R. 1731, cosponsored by the Honorable Newton Steers.

Part A, the National Young Adult Conservation Corps and Part B, the Youth Community Conservation and Improvement Projects essentially seem to incorporate similar ideas and pruposes. Part A seems to be aimed at the unemployed youth in rural areas while Part B seems to be aimed at unemployed youth in urban areas and is similar to Part A of Simon and Steers bill H.R. 1731. I support this legislation and have had practical experience in the area of community projects. Last summer, I planned, coordinated, and supervised ten youths in two of Montgomery County's communities—Kengar (an inner city ghetto in the suburbs) and Wheaton (a low income area). The projects were very successful and many members of the community came out to ask questions and voice their support for the projects. I feel that the community support was due to the fact that the youth lived in the project areas and the projects made noticeable environmental improvements. However, we only accomplished supplying these youths with jobs temporarily. I see a parallel between this project and the proposed legislation. The parallel being that both my program and the proposed programs could have been or could be more valuable if we devote some time to pursuing career counseling, developing job search skills and orienting the skills necessary for project completion, as much as possible, to skills that could be utilized in private sector employment at the end of this subsidized employment period.

The criteria established for entrance (found under the sections labeled definitions) into the aforementioned two programs and for Part C, the comprehensive

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youth employment and training program, are necessary to ensure that the passage of a bill will benefit those youth in greatest need. However, the effectiveness of the bill could be severely restricted unless some precautions are taken. One precaution mentioned in all three parts of the proposed bill is allowing the Secretary of Labor to lower the age requirement to fourteen, if deemed necessary. I have frequently come into contact with fourteen and fifteen year olds who are not attending school, and are in need of work. I have been unable to assist them because of the lack of an effective mechanism. I would favor and support the lowering of the age limit to be able to service these youth. An effective mechanism such as rent-a-youth programs (now in a pilot stage at Middle Earth) might also be considered as a means to serve these youth. The purpose of the program is to make contact between needy fourteen and fifteen year olds and those homeowners or businessmen who would be willing to pay to have temporary odd jobs done. The second possibly restrictive guideline, is the 6.5 per centum unemployment rate. It is unclear whether this figure is calculated for youth or adults as it is now stated in the proposed legislation. If for adults youth may still have a high unemployment rate and not be allowed to receive the services proposed by the bill. I feel a separate index of youth unemployment should be utilized so that needy youth are serviced. In Part C, Section 3, Section 835(a) there is mentioned an income restriction. This seems to be the most limiting factor affecting the more affluent areas of the Nation. For instance, in Montgomery County where the median income is approximately $30,000 per annum, we would only be allowed to utilize the proposed programs to a very limited extent. Thus, the problem would remain, leaving rates of unemployment as high as the current rates in the inner cities. This might also be true of other urban-suburban affluent areas of the county. So, are we going to say to the Nation that the only needy youth are unemployed inner city youth? I would hope not! And, I would hope we could provide services to all unemployed youth, regardless of socio-economic backgrounds. In summary, I would like to present two alternative options. The first, that the eligibilty of applicants be based upon a per centum of unemployed youth within a geographical area. Second, you might consider leaving the decisions of who needs the most help to the local jurisdictions within each State.

An important component of any effective unemployment legislation is the provision for supportive services. This issue is addressed in Part C, Section 831, line 18 of H.R. 6138 and in Part B, Section 2, Section 725 of H.R. 1731. I fully support these sections of the proposed legislation. I have found that especially in suburban and rural areas transportation is a major obstacle in a youth's ability to both obtain and sustain employment. The availability of supportive services such as day care, medical assistance, social security, and counseling would place youth in a far better position to obtain gainful employment and to sustain this employment.

One of the supportive services that is of particular importance is counseling, both personal and career. Section 2, Section 832(c) of H.R. 6138 alludes to this counseling. I feel this should be amended to say specifically, "personal and career counseling." It has been my experience that ignoring the personal problems of youth only results in the inability to obtain employment or to maintain employment. Many times youth are unable to separate their personal lives from their work lives and need guidance in this area to prevent unemployment because of personal problems. The career counseling should not only include orientation to careers in the youth's home areas, but should also include preparation in the area of job search skills. Youths should be introduced to the ABC's of finding employment openings and subsequently applying for jobs. Presently, I have developed a job workshop that incorporates these and other ideas. The goal is to teach youth the basic skills of finding a job which can hopefully be transferred to future attempts to locate job openings and obtain employment, thereby eliminating the need to use public employment services at future dates. The goal then is both short term (helping youth find a job now utilizing the basic search skills) and long term (how to depend on yourself to find a job in the future).

An important source of information to aid in career counseling is the establishment of an occupational information center alluded to in Section 2. Section 838 of H.R. 6138 and in Part D of the Simon-Steers bill H.R. 1731. Today, most career information must be modified by those who utilize it in counseling to meet the needs of youth, or much wasteful time is spent locating already existing materials. If this information could be centrally located, oriented specifically to youth and available to both public and private non-profit organizations, this would be a major step in bridging the gap found in today's career counseling.

Another issue of concern to me is that of program evaluation. H.R. 6138 states in Section 853, lines 7, 8, 9, that all programs shall be subject to evaluation. I feel that all programs, whether public or privately administered, should come under the same scrutiny. A major issue in Montgomery County, at this time, is the over scrutinization of private programs while the public programs continue from year to year with no substantial evaluation. I would like to see any new legislation include safeguards to assure that this practice does not continue and is not generated in other parts of the county

I would like to stress another important issue, that of providing opportunities for youth to obtain skills that facilitate their entering into, or movement from subsidized programs into private sector employment. This must be our goal in order to keep the costs of these proposed programs to a minimum, thus allowing maximum provision of services. I would support the Section 1–11, Section 832(a), H.R. 6138, per amendments mentioned previously, and Part B, H.R. 1731, incorporating, as noted, previous suggestions. I support these provisions with confidence, because the program I work in has much the same structure as is mentioned in these sections of the bill. (A brief outline of our program and its services is also submitted with this testimony.) I find the program to be very successful, in spite of its limitations. Much of the legislation proposed woud aid in the elimination of the current limitations.

In summary, my comments have covered some but not all of the many areas of the administration bill H.R. 6138 and the Simon-Steers bill H.R. 1731. Each of my comments has been offered in an effort to ensure that programs aimed at providing only temporary employment are restructured to add some long-range components and to ensure that the effectiveness of the legislation is not only in reaching affected youth, but also in providing comprehensive services to the unemployed youth. I would hope that in your wisdom you will draw upon the many bills and comments by those before me, those after me and myself in passing a truly comprehensive and effective employment package for our youth. Thank you again for your time and attention.

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MIDDLE EARTH'S YOUTH EMPLOYMENT PROGRAM
FACT SHEET

WHAT IS IT?	A youth counseling and placement service administered by the Mental Health Association of Montgomery County, Maryland, Inc. (MHAMC), a United Way Agency, funded by the Labor Division, Office of Human Resources, Montgomery County Government.
LOCATION	Middle Earth: 2122 University Blvd. W. (at Amherst Ave.), Wheaton, Maryland 20902 MHAMC Administrative Offices: 10920 Connecticut Ave., Kensington, Maryland 20795
HOURS	4:00-6:00 p.m. Tuesday and Thursday 7:00-10:00 p.m. Tuesday or By Appointment
STAFF	Program Director : Harriet Guttenberg Program Coordinator: Pat Savage Phone: 933-2818 (office hours above) 949-1255 - 9:00 a.m.-4:30 p.m. Monday-Friday
SERVICES	Counseling in career decisions and job search skills; vocational training; work experience program; aptitude and interest testing; aid in entering G.E.D., night school or return to public school; placement. Various supportive services.
WHO DOES IT SERVE	16 or 17 year olds not attending day school or 14-17 year olds attending school and meeting financial guidelines or students in school for two hours or less a day

June 1976

Mr. **Hawkins.** Thank you, Mr. Savage.

At this point the Chair would yield to Mr. Clay, if he has any questions.

Mr. **Clay.** No questions.

Mr. **Hawkins.** Mr. Sarasin.

Mr. **Sarasin.** No questions, Mr. Chairman.

Mr. **Hawkins.** Mr. Weiss.

Mr. **Weiss.** Are you suggesting that really it be on a first-come, first-serve basis regardless of the percentage of positions we create by this legislation in relation to the overall youth employment problem?

Mr. **Savage.** You are talking about in terms of the eligibility?

Mr. **Weiss.** Yes.

Mr. **Savage.** I guess my point is, which is more succinctly stated in my written testimony, is that there has been a lot of discussion in terms of limiting to certain income levels the youth that you can serve. In places such as Montgomery County, where the income tax base is much higher than the inner cities in a lot of areas of the country, or even rural areas, this would restrict the effects of the bill and reaching kids in Montgomery County.

You often hear that kids in Montgomery County have the friends, the income base and opportunities that kids in the inner cities don't have. But in our area I face the problem day in and day out and still recognize there are 16, 17, and 18 year old youth with no skills. Retail employment—they spoke of the large shopping centers. They don't hire anybody under the age of 18 and it is in the process of going to 21 years of age.

I guess my point is to youth income guidelines and to set up some kind of unemployment rate as now done with adults and, say, in specific geographic areas, if the unemployment rate reaches such a level, then these programs will go into effect.

Mr. **Weiss.** Thank you very much.

Mr. **Hawkins.** I assume you are talking about geographical area income and not individual income?

Mr. **Savage.** Right.

Mr. **Hawkins.** Thank you, Mr. Savage. Your testimony has been very helpful to the committee. I think that you have covered the issue so well that you have not invoked too many questions.

Thank you very much.

The next witnesses are Mr. Greg Humphrey of the American Federation of Teachers, AFL-CIO, and a very distinguished witness, Mr. Roman Pucinski, Chairman of the Task Force on Legislation and Regulations of the National Advisory Council on Vocational Education.

Mr. Pucinski is not a stranger to this subcommittee, maybe to some of the members, but for a great number of years he was one of the ranking majority chairman of one of the subcommittees of the Education and Labor Committee and then decided that he wanted to return to Chicago to further his career, unfortunately, I think, for the Congress.

But we are delighted to have him. He is a personal friend and I certainly look forward to his testimony.

STATEMENTS OF ROMAN C. PUCINSKI, CHAIRMAN, TASK FORCE ON LEGISLATION AND REGULATIONS, NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION; AND GREG HUMPHREY, AMERICAN FEDERATION OF TEACHERS, AFL-CIO, WASHINGTON, D.C.

Mr. HAWKINS. Suppose we hear from you first, Mr. Pucinski. I introduced you in reverse order so that I could get some remarks about you in the record.

Mr. Clay would also like to pay tribute.

Mr. CLAY. I would like to say to my good friend, Mr. Pucinski, I sympathize with him in his defeat as mayor of Chicago. I also ran for mayor of St. Louis and was defeated so we have a lot in common.

Mr. PUCINSKI. I see Bella Abzug is running for mayor of New York.

Mr. HAWKINS. There the similarity ends.

You are also welcome before this committee.

Mr. PUCINSKI. Thank you, Mr. Chairman. I am pleased to be here.

This Sunday we are going to be paying tribute to the distinguished chairman of this committee. I would like to include at the end of my remarks a Chicago Tribune article that pays tribute to the chairman. Mr. Hawkins is being honored at a dinner by the Coalition for United Community Action in the Conrad Hilton Hotel in Chicago.

Mr. HAWKINS. Without objection, it will be included.

Mr. PUCINSKI. I am pleased to be here, Mr. Chairman. I am here as a member of the National Advisory Council on Vocational Education. Also with me is my colleague, Mr. Roger Semerad, who will be testifying later before your committee.

I am here today to first express my pleasure in appearing before the committee and its distinguished chairman who I served with so many years.

Youth unemployment is one of the most serious problems currently facing our Nation, and the repercussions, both for the individuals affected and for the country, are severe. Lack of employment and training opportunities for young people, especially disadvantaged minorities, is often a matter of survival for themselves and their families. A family of four cannot survive with an income less than $10,000 a year and at $16,000 can only stand still.

There is no need for me to cite the current national statistics on youth unemployment. I am sure you are all too familiar with those figures. Even the national averages, as stark as they appear, are not a true measure of the extent of the problem. That cannot be measured in real terms until you look into the individual urban neighborhoods and the depressed rural communities. For example, in Chicago there are some areas where teenage unemployment runs as high as 70 percent.

Due to the immediacy of the crisis, we must respond quickly. There is no time to try out new approaches and experiment with new programs. Congress must make the best and wisest use of existing programs and resources in devising a solution. The solution must deal with the long-term, as well as the immediate problems, and provide young people with education, training, and counseling in addition to employment and income, in order to provide them with the skills and experience they will need to compete for jobs in the private sector.

In the latest report: "Youth Unemployment—The Need For a Comprehensive Approach," the National Advisory Council on Vocational Education calls for linkages and coordination between all programs concerned with the employment, training and education of young people. We make 13 recommendations in the report, which we believe will help bring about that coordination. I will not take the time to review them all now, but I request that the full report be made a part of the hearing record. I urge the members to give careful consideration to these recommendations.

The report states:

> We will not meet our responsibilities by simply appropriating large sums of money to create temporary public service jobs for the sake of reducing this year's unemployment statistics. These jobs will not, in themselves, provide the skills or experience needed to qualify the participant to compete later for jobs in the private sector. When the public job is finished, the youth in question will be back on the unemployment roll, having been exposed to expectations which faded as the program ended.

Any program of public service employment, for young people or adults, should emphasize the transitional nature of such employment. The program should offer temporary relief, but more importantly, it should help prepare the individuals to make it on their own when the program ends.

The GAO report on CETA, released this month, is ample evidence that the transitional aspects of jobs programs have not been emphasized in the past. The report found that relatively few participants found jobs not supported by Federal funds. Some persons have remained in Federally subsidized public service employment since 1971.

Originally, CETA was designed as a transitional training program, and employment was included to supplement training. The GAO report states:

> The public service employment provisions of the original Act—essentially Title II—were included because the Congress believed that training programs must be supplemented with employment programs. It was designed to aid these structurally unemployed persons in gaining work experiences and training so that could hold unsubsidized jobs.

In order to refocus on the transitional aspects of public service employment, and to prepare young people to compete for unsubsidized jobs, the National Advisory Council on Vocational Education urges that any program dealing with youth unemployment provide vocational education and training in conjunction with jobs. The skill training can take place under a variety of programs, but secondary and postsecondary vocational education, with its ongoing programs, resources, and facilities should play a major role.

I urge the committee to study the provisions of the new Vocational Education Act (Public Law 94-482), which places strong emphasis on coordination with manpower and other related programs. Similar linkages should be incorporated into youth unemployment and other manpower legislation. This idea is developed more fully in my prepared testimony.

Guidance, counseling, and supervision are extremely important if young people are to receive the full benefits of temporary work or training programs, and if they are to make intelligent choices among other options which might be available through linkages with other programs. A reasonable percentage of programs funds in your final bill should be reserved for a crash training programs for counselors and supervisors. Unemployed teachers and counselors should be recruited to fill these positions.

Mr. Chairman, after the years I spent on this committee and now working in the private sector, I tell you there is no more important function in America today than vocational counseling and job counseling. We have to develop a corps of counselors that will meet the problem. That is why we suggest using unemployed teachers and counselors to fill these positions.

The various bills pending before the committee contain many of the elements needed for a comprehensive approach, including work-study, focus on maintaining young people in school and encouraging others to reenroll, and incentives for utilizing vocational education facilities and resources. I point out, in my full statement, those elements of each bill which are particularly significant in bringing about coordination among program.

I want to stress here the importance of work-study. A fully funded work-study program will help vast numbers of high school seniors get part-time employment during their senior year, and prepare them for an orderly transition into the world of work. The same could be said of cooperative employment which would reimburse youth and the employer.

My great hope is to see every American youngster involved in work-study during his or her senior year, including those heading for college. It would do more to reduce unemployment than anything else we can do.

I mention work-study for college-bound students because most of them must find part-time employment while in college to offset the rising cost of higher education. Also, because I believe one of the most serious social problems in America is the college dropout. While it is true that 55 percent of our high school grads go on to college, only 20 percent graduate. The remainder find themselves totally unprepared for the world or work after dropping out of college. This is one reason for the high rate of unemployment among young people.

I am pleased to inform this committee that 40 percent of the senior students in Taft High School in my ward in Chicago have part-time employment. I cannot emphasize enough what a rewarding impact this has on our young people. It keeps them in school; gives them money—frequently to help their families; gives them pride; and gives them an appreciation of work habits. Happily, our lowest delinquency rate is among these young student workers.

A massive work-study program could have the same effect all over the Nation. We urge the committee to consider these elements, along with the recommendations of the National Advisory Council on Vocational Education, and restructure H.R. 6138 into a truly comprehensive bill which will emphasize the transition from public service employment, and provide training to prepare young people to compete for unsubsidized jobs.

We urge that pertinent components of the other worthwhile bills before this committee be included in H.R. 6138 to form a truly omnibus bill to achieve these goals. The final bill must be specific and detailed in spelling out these goals and how they are to be achieved in relation to existing programs.

Every resource at our command must be used to prepare young people to function better after leaving the program. Any of those resources which are used merely to provide make-work or to mark time will have been poorly used.

The Council believes that there can be effective cooperation and coordination between vocational education, with its vast training resources and experience, and manpower programs. Despite some problems in the past, relationships between CETA and Voc Ed are improving, and have resulted in model programs in some areas. Wider use of area vocational training centers should be imperative in this youth employment program. Those area vocational centers are now on line. They are there and available.

Last November, in testifying before this subcommittee in Chicago, on CETA oversight hearings, I cited the results of a multiyear study contracted by the National Advisory Council on Vocational Education to the National League of Cities/U.S. Conference of Mayors, which indicated the increasing coordination occurring across the country between Voc Ed and CETA.

The final report of this study—"The Impact of CETA on Institutional Vocational Education"—and "Case Studies: CETA Funded Classroom Training" are complete and at the printers. I have one copy of the final report and case studies with me, and I request they be included as part of my testimony. We will send copies to each member of the subcommittee next week when we receive them from the printer.

The three case studies involve prime sponsors in Chicago, Erie, and the Virginia peninsula consortium. In all three cases, large sums of title I CETA funds are allocated to classroom training, and vocational education offices within the State Department of Education are integral program agents.

These studies prove that coordinated efforts do produce superior programs. I recommend that the committee members review these case studies carefully and take advantage of the examples offered by these successful programs in drafting your final bill.

The National Advisory Council wishes to stress before this committee, that any effort to deal with youth unemployment on an ad hoc basis, without an educational—training component, will prove costly and futile. I know there is a tendency to give a youngster a shovel or a rake and put him or her on a payroll, because of urgency.

But we need not follow this course. We now have sufficient ongoing programs in place and functioning to get the best of both concepts—putting young people to work and simultaneously training them for long-range employment in the private sector when Federal funds run out. This should be the final goal of any legislation your committee sends to the House for final action.

I do want to congratulate both Mr. Hawkins and Mr. Sarasin for their foresight in talking about work-study. I believe if we can give a heavy emphasis to work-study and cooperation education, cooperative education offers a vast area of jobs for young people, part-time jobs. It is the best link between school and the private sector when the funds from this bill run out.

I do hope and wish you luck in getting this legislation. I hope the legislation will move reasonably soon.

[The formal statement of Roman Pucinski and attachments follow]:

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John W. Thiele, *Chairman*
Reginald E. Petty, *Executive Director*

YOUTH UNEMPLOYMENT

TESTIMONY

by

THE NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

Roman C. Pucinski
Chairman

Task Force on Legislation and Regulations

before the

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

April 28, 1977

Frank Cannizzaro • Preston C. Caruthers • Jo Ann Cullen • Marvin J. Feldman • Russell H. Graham • Caroline Hughes • Thomas A. Jackson
Walter K. Kerr • Virla R. Krotz • Louis L. Levine • Malcolm R. Lovell, Jr. • Duane R. Lund • Donald N. McDowell • Warren W. Means
Gwendolyn Newkirk • Robert B. Pamplin, Jr. • Irene E. Portillo • Roman Pucinski • Roger Semerad • Margo L. Thornley

Mr. Chairman and Members of the Subcommittee:

It is indeed a pleasure for me to appear here today before this subcommittee which is now under the able leadership of my good friend, Congressman Hawkins. Youth unemployment is one of the most serious problems currently facing our Nation, and the repercussions, both for the individuals affected and for the country, are severe. Lack of employment and training opportunities for young people, especially disadvantaged, is often a matter of survival for themselves and their families. In addition to economic deprivation, enforced idleness can have a retardation effect on young people in their formative working years. Unemployment means a slowing down, or elimination, of the job sampling process and a late start on the career ladder. For many young people, prolonged unemployment results in disenchantment with the system and prevents them from ever gaining a firm hold on the concept of work and self-support.

There is no need for me to cite the current national statistics on youth unemployment. I am sure you are all too familiar with those figures. Even the national averages, as stark as they appear, are not a true measure of the extent of the problem. That cannot be measured in real terms until you look into the individual's urban neighborhood and the depressed rural communities. For example, in Chicago there are some areas where teen-age unemployment runs as high as 70 percent. This is the real crisis in our Nation today, and to measure its full impact we must see it in human, as well as statistical, terms. The impact in terms of lost self-respect, denied aspirations, and undeveloped potential is, in the long run, more devastating than the immediate economic impact.

Due to the immediacy of the crisis, we must respond quickly. There is no time to try out new approaches and experiment with new programs. Congress must make the best and wisest use of existing programs and resources in devising a solution. The solution must deal with the long-term, as well as the immediate problems, and provide young people with education, training, and counseling in addition to employment and income, in order to provide them with the skills and experience they will need to compete for unsubsidized jobs in the future.

In its latest report, Youth Unemployment - The Need for a Comprehensive Approach, the National Advisory Council on Vocational Education calls for linkages and coordination among all programs concerned with the employment, training, and education of young people. I request that the full report be made a part of the hearing record. The report states: " ...the problems of youth unemployment must be considered in a broader context which includes counseling, education and skill training. We will not meet our responsibilities by simply appropriating large sums of money to create temporary public service jobs for the sake of reducing this year's unemployment statistics.

Many of the public service jobs envisioned, such as repair and renovation work, neighborhood rehabilitation, public land improvement, and energy conservation activities like home insulation, will provide employment and income to the participating youth during the period of the program. But these jobs will not, in themselves, provide the skills or experience needed to qualify the participant to compete later for related jobs in the private sector...When the public job is finished, however, and the public money depleted, that youth in question will be back on the unemployment roll, having been exposed to an experiment and to expectations which faded as the program ended."

Any program of public service employment, for young people or adults, should emphasize the transitional nature of such employment. The program should offer temporary relief, but more importantly, it should help prepare the individuals to make it on their own when the program ends. The GAO report on CETA, released this month, is ample evidence that the transitional aspects of jobs programs have not been emphasized. The report found that relatively few participants found jobs not supported by Federal funds. Some persons have remained in federally subsidized public service employment since 1971 or 1972. Originally, CETA was designed as a transitional training program, and employment was included to supplement training. The GAO report states: "The public service employment provisions of the orignal act --especially Title II -- were included because the Congress believed that training programs must be supplemented with employment programs...Title II was directed at persons disadvantaged in terms of length of time of unemployment or in prospects for obtaining unsubsidized employment without assistance. It was designed to aid these structurally unemployed persons in gaining work experiences and training so they could hold unsubsidized jobs."

In order to re-focus on the transitional aspects of public service employment and to prepare young people to compete for unsubsidized jobs, the National Advisory Council on Vocational Education urges that any program dealing with youth unemployment provide vocational education and training in conjunction with jobs, as well as counseling which can take advantage of the job experience to lead the young person into a training program after the temporary employment is terminated. The skill training can take place under a variety of programs, but secondary and post-secondary vocational education, with its on-going programs, resources and facilities, should play a major role.

Included in the Council's report on Youth Unemployment were the following specific recommendations:

-- There must be careful and deliberate meshing of programs and services at all levels of government in order to provide a comprehensive approach to youth unemployment.

-- The Vocational Education Amendments of 1976 (P.L. 94-482, Title II) places strong emphasis on coordination with manpower and other related programs, in order to provide a "consistent, integrated, and coordinated approach" to meeting the Nation's employment and training needs. I urge this committee to study the provisions of P.L. 94-482 and incorporate similar requirements for linkages into youth unemployment legislation. For example, P.L. 94-482 provides for active participation by the State Manpower Services Councils in the development of the one year and five year state plans for vocational education, the state plans and the local applications must describe in detail the coordination of vocational education and manpower programs, and there must be cross-representation between vocational education and manpower advisory councils at the state and national levels.

-- Expanded work-study programs should be provided for secondary school youth to keep the focus on schooling and to provide income for those students who need earnings to remain in school. Work-study programs could also provide the incentives for out-of-school youth to re-

-- enroll at the secondary and post-secondary levels. The existing vocational education work-study program under P.L. 94-482 could be expanded to provide these services, if there is adequate cooperation and coordination with prime sponsors.

-- There must be adequate guidance, counseling and supervision of the young people involved in order that they receive the full benefits of temporary work or training programs, and can make intelligent choices between options which might be available through linkage with other programs. A reasonable percentage of the program funds in your final bill should be reserved for a crash training program for counselors and supervisors. Currently unemployed teachers and counselors should be recruited to fill those positions, as well as selected program clients who show leadership ability and could provide peer supervision of other young people in the program.

-- Close coordination of guidance and counseling activities under all employment, training and education programs should be established. The Vocational Education Act places strong emphasis on guidance and counseling, providing that 20 percent of all program improvement funds be used for that purpose. In addition to in-school counseling, it authorizes the establishment of community vocational resource centers to meet the special needs of out-of-school individuals. If this concept were expanded, with cooperation and funding from CETA, State Employment Services, and other relevant programs, there could be established Community Employment and Education Centers to provide a full range of services. These centers could provide follow-up and referral services to clients of temporary public service employment programs to assist them in making the transition to related education and training programs, and placement in non-subsidized jobs.

-- The Vocational Education Act also provides funds for the establishment of National and State Occupational Information Coordinating Committees to provide data which will be useful to both vocational education and manpower training program planners. Congress should provide comparable commitment and funding under manpower statutes to make the establishment of uniform data systems a cooperative effort.

-- Manpower legislation should include incentives to promote cooperation with vocational education programs, such as the retention of a minimum five percent set-aside under CETA, and bonuses for prime sponsors which make use of vocational education facilities and resources.

-- There should be established at the national level a central authority responsible for coordinating all efforts and resources relating to education, training, and placement of unemployed youths, involving all

-- pertinent departments and agencies. This authority should serve as a clearinghouse, mediator, planner and monitor for the delivery of comprehensive services. Similar efforts should be encouraged at the state level and linked to the recommended Community Employment and Education Centers.
-- As a test of our ability to coordinate services, and of our commitment to the concept, there should be established a pilot program which would guarantee one year of employment or training for the hard-core unemployed youth. The guarantee would entitle the individual to a job, to training with stipends, or a combination of employment and training under existing programs, available through participating agencies in the person's region. It would not require the introduction of new programs, although it might mean the expansion of existing programs to honor the guarantee.

The various bills now pending before the committee contain many of the elements needed for a comprehensive approach to deal with the education, training and employment needs of unemployed youth.

H.R. 6138 (Mr. Hawkins), under Part B, requires that the job project applicant provide a description of job training and skill development opportunities that will be made available to participating eligible youth, as well as a description of plans to coordinate the training and work experience with school related programs including the awarding of academic credit. The projects would be conducted in such a manner as to permit the eligible youths employed who are in school to coordinate the job with classroom instruction and, to the extent feasible, to permit such youths to receive credit from the appropriate education agency or school involved. Part C provides supplementary training to enable participants to secure unsubsidized employment. Training and employment opportunities shall be interrelated and mutually reinforcing to enhance job prospects and career opportunities. It also makes reference to counseling, school to work transition, high school equivalency, vocational exploration, and institutional on-the-job training. Applicants must provide a description of the relationship and coordination of services provided to participants with similar services offered by local education agencies, postsecondary institutions, public employment service, other youth programs, community-based organizations, and business and labor. The bill is broad and comprehensive in scope, but does not detail how coordination and linkages are to be achieved.

H.R. 6044 (Mr. Sarasin) is a work-study program which guarantees part-time employment for teen-age youth who resume or maintain school attendance, and full-time summer employment. This approach could be incorporated into a comprehensive bill and expanded to provide work-study at the post-secondary level. It requires that the prime sponsor consult with local educational institutions in the development of his program plan, which is similar to requirements under the Vocational Education Act for coordination of vocational education with local manpower programs.

H.R. 5022 (Mr. Quie) stresses work-study, counseling, outreach, referral and linkages to institutional and classroom training. It requires a plan describing the coordination of services with similar services offered by education agencies and other training organizations. Title II specifically requires that applicants advise youths of the availability of other training and resources to assist them in obtaining unsubsidized employment. It provides part-time employment to youths out of school designed to encourage them to resume school attendance, or enroll in other apprenticeship and skill training programs, and provides assistance to schools for work experience programs to keep young people in school. It provides an extensive occupational information and career counseling program in cooperation with state and local education agencies. This provision could be directly linked with the guidance and counseling services authorized under the Vocational Education Act.

H.R. 20 (Mr. Young of Georgia) would provide jobs along with ongoing basic education and training services through arrangements with secondary schools, community colleges, and trade and technical schools. Applicants would be required to describe the manner in which education and training activities would be coordinated with other Federal, state and local programs, and describe the counseling and placement services (including an individualized future training, education, and employment plan) to be provided to each participating youth. Each project must provide appropriate counseling and placement services designed to facilitate the transition to permanent jobs in the public or private sector, or education and training programs.

H.R. 3381 (Mr. Stokes) provides jobs in conjunction with career counseling services for both in-school and out-of-school persons. It would establish urban career education centers to provide cooperation with local educational agencies, private employers, and units of local government, and would stress recruitment, counseling, remediation, vocational training, job development, job placement, and other appropriate services. These proposed centers could be the basis for Community Employment and Education Centers as recommended by the National Advisory

Council. We urge the committee to consider these elements and others from various pending bills, along with the recommendations of the National Advisory Council on Vocational Education and other interested groups, and draft a truly comprehensive bill which will emphasize the transition from public service employment to education and training programs to prepare young people to compete for unsubsidized jobs. We encourage strong linkages to vocational education programs at the secondary level and in community colleges and technical schools and institutions. Every resource at our command must be recruited to battle the problem of youth unemployment and those resources should be used whenever possible to prepare the young person to function better after he leaves the program. Any of those resources which are used merely to provide make-work and to mark time will have been poorly used.

The Council believes that there can be effective cooperation and coordination between vocational education and manpower programs. Despite problems of turfmanship, lack of communication, and philosophic differences which have existed in some areas between vocational educators and prime sponsors, the relationships and the coordination are improving, often repidly. In some areas the relationships are remarkably good, and have resulted in model programs. Last November, in testifying before this subcommittee in Chicago on CETA oversight hearings, I cited the results of a multi-year study contracted by the National Advisory Council on Vocational Education to the National League of Cities/ U.S. Conference of Mayors, which indicated the increasing coordination occurring across the country. The "Final Report (1977), The Impact of CETA on Institutional Vocational Education," and "Case Studies: CETA Funded Classroom Training," are completed and are now being published. I request that the report and case studies be included as part of my testimony.

The three case studies involve prime sponsors in Chicago, Ill., Erie, Pa., and the Virginia Peninsula Consortium.

In all three cases large sums of Title I CETA funds are allocated to classroom training, and vocational education or corresponding offices within the state department of education are integral program agents. I outlined the Chicago experience in my November 8 testimony before this subcommittee. The situation is similar in Erie. Approximately two-thirds of Erie's Title I funds are used to provide classroom training and on-the-job training proved to be approximately equal in effectively developing job skills, but classroom training is generally less costly and carries no prior skill requirements on the part of a client. The Virginia Peninsula Consortium coordinates six jurisdictions. Out of a total of $2,263,403 for Title I programs, $821,391 is allocated to classroom training. That is in addition to the Consortium's $151,649 share of five percent vocational education funds, bringing the total amount to $973,000. The prime sponsor also operates a coupled training program in which classroom training is combined with work experience or on-the-job training. The prime sponsor provides a "CETA Goes to College Program," which is funded under the Governor's four-percent funds. All of the five-percent vocational education funds are made available to prime sponsors, with state administration funded through the Governor's four-percent funds. Such arrangements require extensive coordination between educators and manpower planners at the state and local levels.

These case studies prove that coordinated efforts do produce superior programs. I urge the committee members to review these case studies carefully, and to take advantage of these examples in designing a comprehensive bill to deal effectively with the problem of youth unemployment.

Thank you, Mr. Chairman.

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YOUTH UNEMPLOYMENT

The Need for a Comprehensive Approach

A Report by
The National Advisory Council on Vocational Education
March, 1977

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YOUTH UNEMPLOYMENT --The Need for a Comprehensive Approach

Youth unemployment has many faces, and the severity of the problem varies from mild to extreme. Many youths classified as "unemployed" are sampling the labor market, and may be temporarily idle between jobs. Some youths who are out of work longer are from middle income families, live at home, and do not suffer immediate economic hardship. For others, especially minorities, lack of employment can mean severe economic hardship and is often a matter of survival for themselves and their families.

Even when it does not mean severe economic deprivation, youth unemployment has serious repercussions. Enforced idleness and a delay in the experimentation of job sampling can have a retardation effect on young workers in their formative years. It means a slowing down of their decision-making processes with respect to employment and careers, a late start on the career ladder, as well as loss of income. For many young people, prolonged unemployment results in disenchantment with the system and prevents them from ever gaining a firm hold on the concept of steady work as a major component of the individual's makeup. Some will turn permanently to criminal activities, which despite its risks, often yield easier and more lucrative rewards than do salaried occupations.

In 1975, teenagers (16-19) accounted for 22.3 percent (3.5 million) of the total number of the unemployed, although they represented less than 10 percent of the total labor force. When the teenage range was broadened to include the 20 to 24 age group, then youth accounted for 45.5 percent of the total unemployment, while comprising only 25 percent of the labor force. Statistics on different aspects of the youth population show stark contrasts. For example, when only teenagers as a group are analyzed, it is found that for each group of 100 whites (16-19), 46.6 were employed, while for each group of 100 non-whites, 24.7 were employed. The unemployment rate for the age group 20-24 was 13.6 percent, which is 6.3 percent less than the rate of 19.9 percent for the 16-19 age group. Another statistical contrast is provided when urban and non-urban males are compared. The unemployment rate for teenage males (16-19) residing in metropolitan areas was 36.9 percent, while 24.1 percent of the teenage males living in non-metropolitan areas were unemployed.

Youth unemployment, of course, is just one facet of the larger unemployment picture and the even larger national macro-economic picture. National macro-economic policy should attempt to maximize employment by stimulating economic growth consistent with other national goals such as minimizing inflation, preserving energy, protecting the environment, and increasing foreign trade. Manpower or labor market policies should be developed to work in conjunction with macro-economic policies so that the unemployment situation at any particular time can be dealt with sensitively and humanely without jeopardizing the long term potential economic growth of the nation. The nature of the manpower and labor market policies and the mix of programs to be mounted should vary with the nature of the unemployment and the level of unemployment at that time and with the mix of individuals seeking work.

It should be recognized that total employment has been increasing at an impressive rate, but not rapidly enough to absorb the accelerated increase in the labor force. Total employment increased from 72,900,000 in 1966 to 87,980,000 in 1976. However, during this period population increased 19 percent and the labor force increased by 26 percent. One of the principle reasons for the large increase in the labor force is that the female labor force increased by 42 percent, while the male labor force increased by 17 percent. In addition, youth in the labor force increased by 34 percent from 6,557,000 to 8,839,000.

The other side of the coin is that the demographic characteristics of the population are such that by 1980 we may anticipate a sharp reduction in the rate of new accession to the labor force, creating the strong possibility of worker shortages in the entrance categories. By the end of the century, youth unemployment may not be an issue at all. The issue may be, instead, the retraining of adult and retired persons to fill vacant job slots. This fact further accentuates the need to deal with unemployment on a year by year basis with efforts targeted toward resolving the unemployment problems of specific groups.

Many proposals have been advanced to deal with the problem of youth unemployment, by both the present and past Administrations and by Members of Congress. These include various approaches, such as creation of public service jobs to provide work for up to 750,000 young people at an estimated cost of $1.9 billion to $2.8 billion, expansion of the Job Corps and training programs under CETA, wage subsidies and tax credits to private employers for job creation and training, and special job creation programs for black urban teenagers.

There are good points in many of these numerous proposals, and the National Advisory Council on Vocational Education hopes that the Administration and Congress will put together a package which represents the best features of each in order to effectively alleviate the problems associated with youth unemployment. The National Advisory Council does not intend to comment on the specifics of each proposed bill at this time, but will make some general recommendations which it hopes will be considered as the development of this legislation proceeds.

The direct purpose of current legislative efforts to reduce youth unemployment is to provide jobs, as well as to stimulate the Nation's economy. We believe, however, that the problem of youth unemployment must be considered in a broader context which includes counseling, education and skill training. We will not meet our responsibilities by simply appropriating large sums of money to create temporary public service jobs or subsidized jobs in the private sector for the sake of reducing this year's unemployment statistics.

Many of the public service jobs envisioned, such as repair and renovation work, neighborhood rehabilitation, public land improvement, and energy conservation activities like home insulation, will provide employment and income to the participating youth during the period of the program. But these jobs will not, in themselves, provide the skills or experience needed to qualify the participant to compete later for related jobs in the private sector. The jobs will provide valid experimentation for the youth, as well as a limited income. When the public job is finished, however, and the public money depleted, the youth in question will be back on the unemployment roll, having been exposed to an experiment and to expectations which faded as the program ended. For example, a young person who helps insulate houses will learn a great deal about weather-proofing buildings. But that limited knowledge alone will not enable the person to obtain work in the private sector. The insulating of most of the buildings in town will have been completed under the public service program. The need for building insulators in that area will decrease, and private firms will not be looking for workers with this skill.

If, however, the job of insulating houses sparks an interest in related areas, such as carpentry or air-conditioning and heating, and if, through experimentation with the insulating job, the individual is counseled into a related education and training program, chances are much greater that he or she will subsequently be equipped to compete for jobs in the private sector.

If a public service jobs program for youth encourages or requires that there be an equal emphasis on education and training, a greater number of youths could be served, and the end product will yield greater benefits for the individual youth and for the program overall. For example, if there were 1,200 public service job slots for full-time insulators, and one-third of the participants were counseled into related skill training programs, and worked only half-time, then 400 of the slots would be occupied by half-time people This could, depending upon linkages with other programs, open up 400 additional half-time slots. It might be necessary to pay stipends to some of the half-time workers to enable them to continue in the training program. In some cases, these stipends may be available under related education or training programs. Even if money for some stipends came directly from the public service job program, there would still be additional money to fill some of the half-time slots which would be open under this approach.

This will require careful and deliberate meshing of programs and total utilization of existing resources from the Federal level down to the local community level, where the prime sponsors, the educators, business, labor and youth in question, live and work.

It should be a general policy that any program dealing with youth unemployment provide vocational education and training in conjunction with jobs, as well as counseling which can take advantage of the job experience to lead the young person into a training program after the temporary employment is terminated. The skill training can take place under a variety of programs, but vocational education, with its on-going programs, resources and facilities, should play a major role.

Before starting new programs, Congress should examine existing programs to determine which can be expanded to meet the needs. It should determine how all existing programs, as well as new programs, might be tightly linked so as to "represent a consistent, integrated and coordinated approach" to meeting the Nation's employment and training needs. The quote is from the Vocational Education Amendments of 1976 (P.L. 94-482, Title II). This Act places strong emphasis throughout on provisions requiring coordination with manpower and other related programs. We urge Congress to study these provisions carefully, and to give careful consideration to incorporating similar requirements in CETA and other legislation dealing with employment and training.

The Act requires that a representative of the State Manpower Services Council under CETA be actively involved in the development of the long-range and annual program plans for vocational education. The CETA council may appeal to the U.S. Commissioner of Education and to the Federal courts if dissatisfied with the provisions of the vocational education state plans. Each local recipient of funds under the Act must describe in its application how its programs have been coordinated with those of the local CETA prime sponsor. The National Advisory Council on Vocational Education and the National Commission for Manpower Policy are required to have cross-representation of membership. Each State Advisory Council on Vocational Education and each State Manpower Services Council are to have cross-representation. Together, these groups are to identify the vocational education, employment and training needs of the nation, and each state, and assess the extent to which programs under all acts represent a coordinated approach.

There are many other provisions of the Vocational Education Amendments which could be expanded and linked to new or existing employment and training programs to enhance the value of a temporary job creation program. One of the most important areas is guidance and counseling. The needs, circumstances, and aspirations of unemployed youth differ greatly. It would be extremely short-sighted to simply match up bodies with job slots without reference to an on-going guidance and counseling program. Counseling could direct many young people into a work-study situation. The interests sparked by the job could lead others into follow-up skill training programs at the post-secondary level, if counseling were an integrated part of the job program. If this interest is not captured and directed, these young people will become tomorrow's unemployed adults.

In its Second Report in 1969, the National Advisory Council on Vocational Education expressed concern for persons flowing into the pool of unemployed as well as for those already among the unemployed. It recommended that the Federal government invest at least as much money in reducing the flow of untrained youth as it invests in reducing the pool of unemployed. No single approach or single program will provide the skill training and counseling services needed to meet the needs of all young people. Only a deliberate commitment to cooperation and coordination can provide the full range of approaches and services needed.

The National Advisory Council on Vocational Education endorses a recommendation by Dr. John Porter, Superintendent of Public Instruction for the State of Michigan, and member of the National Commission for Manpower Policy. He suggests that, concurrent with the establishment of CETA public employment programs, there be established a secondary school youth work-study program for all enrolled, eligible juniors and seniors. This would tend to keep the focus on schooling as the major occupation for 16, 17 and 18 year olds, and would give the schools a more prominent focus for noncollegiate-bound students. It would also help stem the flow of youth into the pool of the unemployed. The vocational education work-study program is in place and could be expanded to provide that focus.

The majority of persons included in youth unemployment statistics are still of school age. The purpose of work-study programs is to provide needy students with sufficient income to permit them to remain in school. The old wage limitations in the work-study program have been removed under the new Vocational Education Amendments. An expanded work-study program, with adequate funding, coordinated with CETA and with good counseling services, and articulation with community colleges and other post-secondary institutions, could be a means of luring some of the drop-outs back into the school system. The student should be able to move in a logical progression from secondary into post-secondary occupational programs, with relevant work experience provided through work-study at the secondary level and cooperative education programs in conjunction with the private sector at the post-secondary level.

Section 134 of the Vocational Education Amendments provides a 20 percent set-aside of Subpart 3 funds for guidance and counseling programs for youth and adults, and includes authority for States to establish vocational resource centers to meet the special needs of out-of-school individuals. An expansion of this concept, in cooperation with CETA, State Employment Services, and in-school counseling services, could form the basis for central Community Employment and Education Centers. These would provide the needed follow-up and referral services to clients of public service employment programs and others, to assist in locating related education and training programs, and placement in private sector jobs.

With the school dropout rate at 30 percent, and almost one million dropping out of school yearly, the need for guidance services both in and out of school is more essential than ever.

P.L. 94-482 also requires development of uniform definitions and data reporting for vocational education which will be compatible with occupational information data developed under CETA. Section 161 requires the establishment of a National Occupational Information Coordinating Committee made up of the U.S. Commissioner of Education, the Administrator of the National Center for Education Statistics, the Commissioner of Labor Statistics, and the Assistant Secretary of Labor for Employment and Training. Each state must establish a state coordinating committee composed of representatives of the State board for vocational education, the State employment security agency, the State Manpower Services Council, and the vocational rehabilitation agency. Compatible data and information will greatly facilitate program coordination. Amendments to the CETA legislation which Congress is presently considering should contain a comparable commitment and provide a share of the funding for the establishment of uniform data systems.

In general, coordination of planning and program activities between vocational education and all related programs at the Federal, State and local levels is one of the major thrusts of the new Vocational Education Amendments. A similar thrust should be part of CETA legislative revisions, and should be incorporated into any new legislation designed to reduce youth unemployment. We strongly urge the inclusion in CETA of provisions designed to promote cooperation with vocational education, such as the five percent set-aside for programs in vocational education institutions and incentive bonuses for CETA prime sponsors which make use of vocational education facilities and resources.

A central authority, established either administratively or by statute, should be responsible at the national level for coordinating all efforts and resources relating to education, training, and placement of unemployed youths. All departments and agencies which have responsibilities for programs dealing with the problems of youth unemployment and training should be involved. This would include the Department of Labor, Department of Health, Education, and Welfare, Department of Commerce, Department of Agriculture, Department of Defense, U.S. Employment Service, Veterans Administration, Bureau of Indian Affairs, and possibly others.

A central coordinator would serve as a clearinghouse, mediator, planner and monitor for the delivery of comprehensive services. Similar efforts should be encouraged at the state level and linked to the recommended Community Employment and Education Centers.

As part of this effort to coordinate services, we recommend that there be established a guarantee for a one year period of employment or training for the hard-core youth unemployed. These would be youth who have unsuccessfully sought employment for 10 weeks and are from low-income families. The guarantee would entitle the individual to a job, to training with stipends, or a combination of employment and training under existing programs, available through participating agencies in the local area. This could be conducted on a pilot basis in 20 or 30 cities and rural areas. It would not require the introduction of new programs although it might mean the expansion of existing programs to honor the guarantee.

Any effort to deal with employment and skill training needs of young people must involve the cooperation and participation of business, industry, labor, and education. We must never look upon public service employment as an alternative to jobs in the private sector. Public service employment is an interim measure which must be predicted upon government policy to promote economic and job expansion. The private sector must be involved in that policy development, and policies to prepare people for the work force of the future.

NACVE member Walter Kerr, who is President of the Texas Industry Council for Career Education, addressed this subject in remarks to a workshop on Work and Service Education at the National Conference of America's Secondary Schools in Denver, April 25-28, 1976. The economic community and the educational community "need each other," he said. "There must be a system for these two communities to come together to rethink both finance and job opportunities... We must think through possible new dimensions. Many businesses must now retrain employees for specific jobs. Use this resource in the schools and make the job opportunities relevant to teaching and learning."

Business and labor are already involved through apprenticeship programs, on-the-job training, co-op and work-study programs. More innovative approaches must be found to improve the relationship and bring business into the planning system. Business and labor must be encouraged to become more deeply involved in local councils, committees, and community development organizations. Here again, the new Vocational Education Act is taking the lead. Section 105 requires that each local recipient of vocational education funds shall establish a local advisory council which includes representatives from business, industry and labor. The benefits of linkages between these councils and CETA are obvious, as are possible linkages to Community Employment and Education Centers, if such units can be established.

The private sector also has an essential role to play in the kind of activity suggested by Willard Wirtz in his proposal for Education-Work Councils at the local level, and programs designed to ease the transition from school to work.

The National Commission for Manpower Policy has focused on certain innovative new approaches which can succeed only with the full cooperation of the private sector. In its November 1975 Special Report: "Proceedings of a Conference on the Role of the Business Sector in Manpower Policy," it discusses various alternatives to lay-offs and work force reductions. Of particular interest to the present discussion is the concept of recurrent education and training. The report states:

> "Employers could conduct a thorough analysis of the critical occupations in the organization that are vacant or subject to shortages of personnel. Furthermore, some experimentation with the potential for training and development of personnel may open unexpected avenues and reveal the hidden potential of many of the people in the organization. Corporations could also examine the possibilities for a combination of in-service training and off-site training and education at existing vocational and academic institutions in the community.
>
> Employers could view retraining in a broader perspective, namely, retraining for new occupations in lieu of a layoff. In other words, can employers develop programs in their communities to offer their personnel the option of extended retraining in combination with government-financed programs, GI benefits, unemployment insurance, and other public policies? The entire concept of recurring education is expanding and opens another option pertinent to periods of high unemployment."

Close association between industry, labor, education and manpower programs is essential if we are to replace our present patchwork approach to unemployment and training with a more stable and comprehensive policy. On February 15, 1977, Jack Jennings, Council for the Subcommittee on Elementary, Secondary and Vocational Education of the U.S. House of Representatives addressed the Joint National Labor Market Information Workshop of State Vocational Educators and Employment Security Personnel. He called for better working relationships between CETA programs and vocational education and recommended that amendments to CETA provide for increased cooperation and coordination in a number of areas. The NACVE strongly endorses these recommendations. The Council also shares Mr. Jennings' sentiments when he stated: "We are all dealing with public funds, and our stewardship means we must find the best and most efficient ways to use these funds." The Council would like to add that we are also dealing with the lives and futures of America's youth, and our stewardship means that we must find the best and most effective way to provide them with the opportunities and skills they will need.

SUMMARY OF RECOMMENDATIONS ON YOUTH UNEMPLOYMENT

1. The problem of youth unemployment must be considered in a broad context which includes counseling, education, and skill training.

2. There must be careful and deliberate meshing of programs and total utilization of existing resources at all levels of government in order to provide a comprehensive approach in dealing with the problems of youth unemployment.

3. Secondary and post-secondary vocational education, with its ongoing programs, resources, and facilities, should play a major role in the total effort.

4. It should be a general policy that any youth public service job program provide vocational education and training in conjunction with jobs, as well as counseling which takes advantage of the job experience to lead the individual into an education or training program after the temporary employment is terminated.

5. Before starting new programs, Congress should examine existing programs to determine which can be expanded to meet the needs. All programs should be designed to be tightly linked so as to represent a consistent, integrated, and coordinated approach to meeting the Nation's employment and training needs.

6. The Vocational Education Amendments of 1976 (P.L. 94-482, Title II) places strong emphasis on coordination with manpower and other related programs. Congress should incorporate similar requirements in CETA and other legislation dealing with employment and training.

7. There should be established a secondary school youth work-study program for all enrolled, eligible juniors and seniors, with counseling to direct non-college bound students into post-secondary occupational programs. The existing vocational education work-study program could be the basis for this expanded program.

8. The Vocational Education Act authorizes the establishment of community vocational resource centers to meet the special needs of out-of-school individuals. This concept should be expanded, in cooperation with CETA, State Employment Services, and in-school counseling services, to provide for the establishment of Community Employment and Education Centers. These centers would provide follow-up and referral services to clients of public service employment programs, and others, to locate related education and training programs, and placement in private sector jobs.

9. The Vocational Education Act provides funds for the establishment of National and State Occupational Information Coordinating Committees to provide data which will be useful to both vocational education and manpower training program planners. Congress should amend the CETA legislation to provide a comparable commitment and a share of the funding for the establishment of uniform data systems.

10. Amendments to CETA should include provisions designed to promote cooperation with vocational education, such as the retention of a minimum five percent set-aside for vocational education, and incentive bonuses for CETA prime sponsors which make use of vocational education facilities and resources.

11. There should be established at the national level a central authority responsible for coordinating all efforts and resources relating to education, training, and placement of unemployed youths, involving all pertinent departments and agencies. This authority should serve as a clearinghouse, mediator, planner, and monitor for the delivery of comprehensive services. Similar efforts should be encouraged at the state level and linked to the recommended Community Employment and Education Centers.

12. There should be a pilot program which would guarantee a one-year period of employment or training for the hard-core youth unemployed through existing programs, which would be expanded where necessary to honor the guarantee.

13. Greater cooperation between industry, labor, education, and manpower programs must be established to replace the present patchwork approach with a more stable and comprehensive policy.

THE IMPACT OF CETA ON INSTITUTIONAL VOCATIONAL EDUCATION

FINAL REPORT

TO THE NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

CETA/VOCATIONAL EDUCATION COOPERATION

ONAL LEAGUE OF CITIES
UNITED STATES CONFERENCE OF MAYORS

February, 1977

FINAL REPORT TO THE NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

CETA/VOCATIONAL EDUCATION COOPERATION

The National League of Cities and U.S. Conference of Mayors has, for the past few years, kept a close investigative eye on CETA funded classroom training. Our purpose in entering into our initial contractual agreement with the National Advisory Council on Vocational Education, was simply to determine the impact of the then new CETA legislation on the institutional vocational education system. That role brought about an awareness of the difficulties involved in coordinating the activities of two very different political systems. It also, however, brought about an awareness of the vast potential resources which would be made available to training the unskilled in our society if those difficulties could be overcome.

With the emergence of CETA, state and local governments were put in the business of providing skill training to those who are disadvantaged, unemployed, or underemployed. Some saw that new initiative as duplicative; others saw it as a parallel role to that of the state education system. Many

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educators were outraged at the creation of a competitive education system. Supporters of the CETA concept, however, argued that the education system had failed in meeting the needs of the nation's disadvantaged population. The vast majority of that population resides in our nation's urban areas. Far too many disadvantaged young adults reach the age of 25 without ever having had a job. Skill training is a must in order for them to enter the mainstream of society. The vocational education system has traditionally been more responsive to the needs of rural population groups. Through our involvement with CETA programs, we have determined that in order for skill training to be responsive to the disadvantaged population, the following characteristics must be developed into any programmatic scheme:

1) Training must be short term and direct to provide immediate skills for placement in a job;
2) Programs must be designed in a flexible, open entry-open exit system so that clients needing skill training can enter and exit at any time rather than having to wait for a new semester to begin;
3) Instructor selection should, in many cases, be based on knowledge of skills to be taught and ability to work with disadvantaged clients rather than on their own level of education or their ability to qualify for teacher certification;

4) A variety of supportive services must be supplied to enrollees attending training programs. The most needed supportive service is the provision of stipends or allowances. Without monetary support while in training, most CETA eligible enrollees could not participate. Other needed supportive services often include medical care, child care, and legal services - all problems that often plague lower income populations;

5) A quick and effective job placement program must be the culmination of effective skill training.

Congress responded to the above needs by enacting the Comprehensive Employment and Training Act of 1973. Prior to CETA, state vocational education systems and community based organizations provided skill training to the adult, disadvantaged population using funds from the Manpower Development and Training Act (MDTA). Local elected officials were exluded, under the system from the decision-making process. Elected officials argued that because they are elected by the people and are accountable to the people, they are better suited to determining local needs than the traditional service delivers under MDTA. Still when CETA was enacted, prime sponsors could not entirely circumvent existing institutions for several reasons.

First, inexperienced prime sponsors had to recognize and call on the past experience of the education system. Second, facilities and equipment are necessary for training in already existed vocational education institutions and could be used immediately. Finally, a relationship between prime sponsors and state vocational education systems was mandated by Section 112 of the CETA law which sets aside five percent of CETA Title I funds for vocational education activities. Those funds are channelled through the Governors' offices and the state departments of vocational education in each of the states. Prime sponsors are required to negotiate non-financial agreements with their respective state departments of vocational education for the provision of vocational education in each prime sponsor's jurisdiction.

After our first year of investigating CETA's impact on the vocational education, we concluded (The Impact of CETA on Institutional Vocational Education)that very little had changed - the MDTA system was being maintained and state institutions were generally being funded at previous levels. Many prime sponsors complained that the states vocational education agencies were inflexible in negotiating for the five percent funds. They also complained about the lack of communication between the various levels of government. Few genuine cooperative ventures between prime sponsors and state departments of vocational education seemed to be easing the transition from MDTA to CETA.

We wondered whether the emerging patterns were due to the relative newness of the CETA experience. It would seem to the observer that vocational educators would do whatever possible to entice prime sponsors into increasing expenditures in their system but this had not happened. We continued to investigate and published an updated version of The Impact of CETA on Institutional Vocational Education in July 1976. That second study revealed that relationships between vocational educators and CETA prime sponsors had become more effective, but that improved relationships had not resulted in increased funding of vocational education institutions.

In conversations with prime sponsors, some interesting patterns emerged. It was interesting and surprising that many prime sponsors indicated that they have fine relationships and good cooperation with their respective vocational education systems. Classroom training is often a significant component in their CETA plans. Yet when asked where classroom training takes place, the response is somewhat deceiving. Generally, prime sponsors spend their five percent money at vocational education institutions and then often go elsewhere for other training activites. Community based organizations and private schools are strong competitors and often less expensive than traditional institutions. Some prime sponsors indicate that the lack of flexibility and philosophical differences are the biggest problem. Others blame higher institutional training costs or poor success rates. Still others point to political realities. Community based organizations have played strong roles in some jurisdictions. It would be politically unfeasible to discontinue their past role as deliverers of a full range of services, including classroom training.

It is interesting to note, however, that in situations where prime sponsors point to good cooperation with their vocational education communities, there is one overwhelming reason - personal relationships. Where good personal relationships exist, cooperation is fostered. Yet it must be emphasized that cooperation and coordination are not at all the same. But when two different political systems are asked to coordinate their activities, the pressures placed upon each of them to maintain their own autonomy are generally overwhelming. The situation, however, is not entirely hopeless. Certain hopeful signs have emerged in the past several years.

One of those signs is the response to the survey NLC and USCM sent to CETA prime sponsors in April, 1976. Over 50 percent of the respondents indicated improved working relationships with institutions that provide vocational education in their respective communites. Also, representatives of the vocational education community, in the overwhelming majority of prime sponsor jurisdictions, are members of local manpower advisory councils. A very helpful sign is the recent passage of the Education Amendments of 1976. Title II (Vocational Education) of the legislation contains language suggesting coordination between vocational education and CETA. The following aspects of the new law create possible linkages to the CETA system:

1) Each state must write a five year as well as a one year program plan and accountability report. The State Manpower Services Council, an organ of CETA must be actively involve in the writing of the plans. Also, if the State Board rejects the recommendations of the State Manpower Services Council, it must include, in the state plan, the reasons for doing so. If after the publication of those reasons, the State Manpower Services Council is dissatisfied with the Board's decision, it may appeal to the U.S. Commissioner of Education and schedule a hearing to resolve the dispute.
2) A provision of the new law mandates that a representative of the National Advisory Council on Vocational Education serve as a member of the National Commission on Manpower Policy. Also, a representative of each state advisory councils on vocational education will serve on each State Manpower Services Council.
3) Each state must assure the U.S. Commissioner of Education that local recipients of funds consult with representatives of education and other training programs in the area to be served. Also, they must describe how the activities proposed in the local application relate to local

CETA programs. The annual program plan and accountability report must elaborate on the results of the coordination of vocational education programs with manpower training programs.

4) The new law calls for the creation of a National Occupational Information Coordinating Committee. Membership on the committee will be composed of the U.S. Commissioner of Education, the Administrator of the National Center for Educational Statistics, the Commissioner of Labor Statistics, and the Assistant Secretary of Labor for Employment and Training. The Committee is to develop and implement an occupational information system to meet the data needs of both vocational education and employment and training programs at the national, state and local levels.

Congress is currently considering reenactment of CETA. Coordination with vocational education is certain to be an issue. Prime sponsors are asking that certain clarifications concerning the five percent funds be written into the reenacted law. In particular, prime sponsors want to see the law modified to clearly designate the final recipient of the five percent funds (Section 112 of CETA). They have indicated that under the current language of the law, the intended use of the funds has not been clearly spelled out. For example, many prime sponsors want to use some of the five percent funds to pay allowances to classroom training enrollees. Some State Boards of Vocational Education agreed while others refused to allow that option to prime sponsors even though the Department of Labor ruled that allowances were an acceptable use of the five percent funds.

Another change in the CETA law which would make coordination with vocational education easier to achieve would be to extend CETA's planning and funding cycle. Currently, CETA operates on a one year basis, while vocational educators are required to plan for a five year period of time. Cooperative planning could be enhanced if prime sponsors had their funding allocations for more than one year at a time.

During its contractual relationship with the National Advisory Council on Vocational Education, the National League of Cities and U.S. Conference of Mayors has included vocational education as an agenda item at its conferences. Panel discussions were held at national meetings of CETA Administrators for the purpose of promoting the potential of a CETA/Vocational Education partnership that would further the cause of skill training for the disadvantaged. The U.S. Conference of Mayors has, at its last two annual conferences passed resolutions calling for enactment of a special urban vocational education program to be coordinated with activities funded through CETA. The U.S. Conference of Mayors urged Congress to "reauthorize all educational programs at the maximum funding....."

Information dissemination to CETA Administrators has been a major vehicle used by the National League of Cities and U.S. Conference of Mayors to further the awareness of the CETA community to vocational education developments. Information concerning legislation, upcoming meetings, and other related miscellaneous items have been circulated to CETA coordinators. At the same time, prime sponsors have been asked to relate to us problems as well as examples of good coordination in their local jurisdictions.

Case studies of Chicago, Illinois; Erie, Pennsylvania; and the Peninsula Consortium in Virginia (Newport News, Hampton, Williamsburg, James City/County, York County, Poquoson) have been written. All of these prime sponsors have invested large sums of CETA funds in classroom training activities. All of them use institutions within the state vocational education system and all of them have developed good relationships with local representatives of the vocational education system. Our activities in the field of vocational education have led us to the conclusion that the key to a successful working relationship seems to be friendly, unsuspicious communication. Opportunities for interchange between the two systems should be increased to include membership in state and local councils. Prime sponsors should be consulted and provided with the opportunity to comment on vocational education plans. (Vocational education is currently represented on most manpower advisory councils and may therefore use that channel for commenting on CETA plans.).

A truce must be called. Common goals must be identified, flexibility must become automatic, and recognition of what each system has to offer their mutual clientele must be realized. Joint funding of skill training would greatly increase available resources. Skill training is the goal of each system's training programs and coordinated effort could help ease the overwhelming unemployment plagueing the nation today. Hopefully, each system will evaluate its own weaknesses from within and take the necessary measure to correct those weaknesses.

CASE STUDIES:

CETA FUNDED CLASSROOM TRAINING

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March, 1977

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INTRODUCTION

The role of state and local governments in providing training to the disadvantaged unemployed, and underemployed was established under the Comprehensive Employment and Training Act of 1973 (CETA). Prior to CETA, state vocational education systems and community based organizations provided skill training to the adult disadvantaged population using funds from the Manpower Development and Training Act.

Under contract with the National Advisory Council on Vocational Education, the National League of Cities and U.S. Conference of Mayors has followed the development of CETA's impact on the vocational education system. As part of that role, three prime sponsors were selected as case study sites. They are Chicago, Illinois; Erie, Pennsylvania; and the Virginia Peninsula Manpower Consortium. The following pages are the result of that study.

Although the three prime sponsors vary in overall population size as well as their level of CETA funding, they do have certain characteristics in common. Those characteristics are the basis for their selection as case study sites. They are:

(1) Large sums of their Title I funds are allocated to classroom training activities;

(2) Vocational education and/or corresponding offices within the state department of

vocational education are integral program agents; and

(3) Relationships between vocational educators and CETA prime sponsors are good and have led to greater interaction since CETA's initial developmental stage.

What follows on the coming pages is but a glimpse of classroom training activities in each of the three jurisdictions. We do hope, however, that it will provide the reader with an overview of how three prime sponsors have responded to their own local situations.

Chicago, Illinois

Chicago, with over three million residents is the Nation's second largest city. The population of the Chicago metropolitan area represents practically two thirds of the State of Illinois and is composed of a widely diversified ethnic makeup. Each wave of immigration to the United States brought an influx of new residents to Chicago.

Chicago's economy is based on four major components. They are manufacturing, wholesale and retail trade, finance, and the provision of services. Trade, particularly in agricultural products, such as grain and livestock, has been a fundamental ingredient in the economy of the city. Manufacturing is now, however, the dominant economic factor and the largest supplier of jobs. The dominant manufacturing enterprises are in the field of metal and machinery--industries that generally provide good wages for their labor supply.

In the past, Chicago's economy was rooted in its wholesale and retail trade. This is no longer the case. Two of the largest meat packing companies have relocated outside of Chicago and its once famous stockyards have diminished in size. Wholesale and retail trade, although significant economic components have been overshadowed by manufacturing.

Finance is also one of the four major components of Chicago's economy. The Chicago Board of Trade is the nation's leader for setting grain and livestock prices. The banking industry is also a prosperous one in Chicago.

Chicago is the seat of Cook County and some of the governmental functions of the city are shared with the county. The city has a mayor-council form of government. The mayor is responsible for the administration of the city's fourteen departments and for the preparation of the budget. Each of the 50 aldermen (councilmen) is elected from one of the 50 wards of the city.

Chicago's system of public education is governed by the Chicago Board of Education. Members of the eleven member board are appointed by the mayor with the "advise and consent" of the city council. To combat the high dropout rate in secondary schools, the board of education established nine vocational high schools and a trade school.

The City of Chicago is a prime sponsor under the Comprehensive Employment and Training Act of 1973. Chicago was selected for this case study because a large portion of its CETA Title I funds are spent in providing classroom training to CETA clients. Even more significant, Chicago was selected because of its flourishing relationship with the Division of Adult Vocational and Technical Education of the Illinois Office of Education. The following section will explore classroom training as it takes place under CETA in the City of Chicago.

The Director of the Mayor's Office of Manpower (MOM) organized the city's CETA office into four major operating units. They are: 1) Program Development; 2) Program Review and Audit; 3) Manpower Information Unit; and 4) A miscellaneous branch which is responsible for contracts, fiscal matters, and public information. The program development unit is also subdivided into three sub-units. They are planning, evaluation, and research. The planning section of Program Development focuses on which Title I programs to fund.

Two-thirds of Chicago's Title I allocation ($29.9 million in FY 1977) goes directly to clients in the form of wages or stipends. The balance goes into direct training costs and administration.

Four major agencies operate Chicago's system of CETA services. They are: Model Cities-Chicago Committee on Urban Opportunity (Model Cities-CCUO), the Illinois State Employment Service (ISES), the Chicago Alliance of Business Manpower Services (CABMS), and the Illinois Division of Adult Vocational and Technical Education.

The Chicago Manpower Advisory Council must approve CETA program funding levels. Membership on the Council includes representatives of education, labor, and industry. The Assistant Director of the Manpower Training Section of the Division of Adult Vocational and Technical Education serves as a full voting member of the Manpower Advisory Council, and is the Council's link to the state vocational education system.

Skill training in approximately 75 occupations is offered

(2,150 classroom training slots) through a $2.2 million contract with the Illinois Division of Adult Vocational and Technical Education (DAVTE). An additional 880 training opportunities are offered with the Governor's $1.1 million five percent vocational education allocation. In addition to classroom training, Title I funds are also spent to create 2,000 work experience slots. That program is administered by CCUO, the local Model Cities Agency. Also, 1,500 on-the-job training slots are administered by the Chicago Alliance of Business Manpower Services.

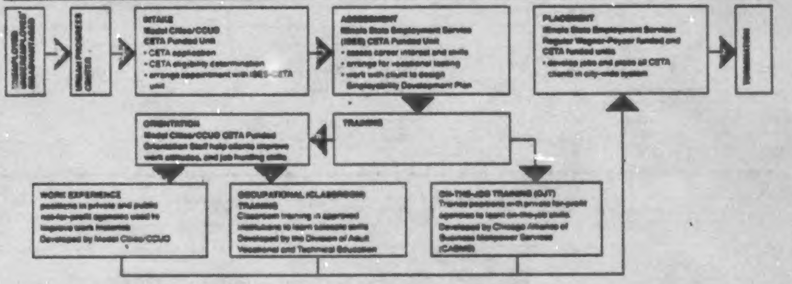
Training stipends to clients are paid out of a $9 million contract with the Illinois State Employment Service.

The following two charts illustrate Chicago's Title I CETA program. The first illustrates the range of services available to CETA clients as well as the agencies which provide each particular service. That chart diagrams the route or possible routes of a CETA client from the initial outreach stage through his or her termination from the CETA program. The second chart represents a breakdown of the number of training slots in each particular type of training program (classroom training, work experience, and OJT) activity as well as a summary of the distribution of Title I funds between the various participating agencies.

Removing Employment Barriers

EMPLOYMENT SERVICES

THROUGH CITY-WIDE SYSTEM


INTAKE
Model Cities/CCUO
CETA Funded Unit
• CETA application
• CETA eligibility determination
• arrange appointment with ISES–CETA unit
ASSESSMENT
Illinois State Employment Service (ISES) CETA Funded Unit
• assess career interest and skills
• arrange for vocational testing
• work with client to design Employability Development Plan
PLACEMENT
Illinois State Employment Service Regular Wagner-Peyser funded and CETA funded units
• develop jobs and place all CETA clients in city-wide system
ORIENTATION
Model Cities/CCUO CETA Funded
Orientation Staff help clients improve work attitudes, and job hunting skills
TRAINING
WORK EXPERIENCE
positions in private and public not-for-profit agencies used to improve work histories
Developed by Model Cities/CCUO
OCCUPATIONAL (CLASSROOM) TRAINING
Classroom training in approved institutions to learn saleable skills
Developed by the Division of Adult Vocational and Technical Education
ON-THE-JOB TRAINING (OJT)
Trainee positions with private for-profit agencies to learn on-the-job skills
Developed by Chicago Alliance of Business Manpower Services (CABMS)

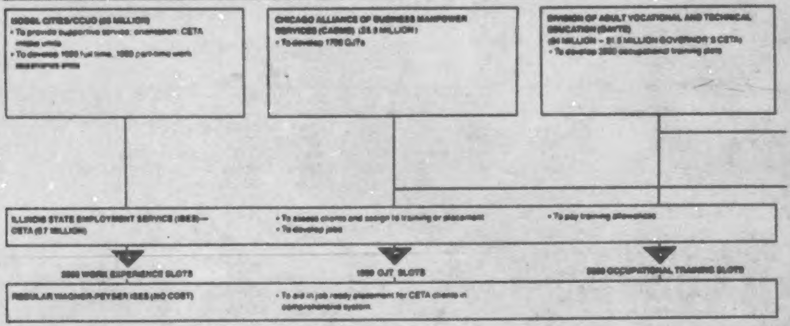
CETA EMPLOYMENT OPPORTUNITIES IN FY 77

SUMMARY—DISTRIBUTION OF SLOTS (12,100)

COMPREHENSIVE CITY-WIDE SYSTEM

	SLOTS
Work Experience	2000
Occupational Training	2300
On-The-Job Training	1800
Job Creation and Placement	Ongoing Activities
Total	6100

SUMMARY—DISTRIBUTION OF FUNDS


MODEL CITIES/CCUO ($5 MILLION)
• To provide supportive service: orientation CETA intake units
• To develop 1000 full time, 1000 part-time work experience slots
CHICAGO ALLIANCE OF BUSINESS MANPOWER SERVICES (CABMS) ($3.9 MILLION)
• To develop 1700 OJTs
DIVISION OF ADULT VOCATIONAL AND TECHNICAL EDUCATION (DAVTE)
($4 MILLION – $1.5 MILLION GOVERNOR'S CETA)
• To develop 2300 occupational training slots
ILLINOIS STATE EMPLOYMENT SERVICE (ISES)—CETA ($7 MILLION)
• To assess clients and assign to training or placement
• To develop jobs
• To pay training allowances
2000 WORK EXPERIENCE SLOTS
1800 OJT SLOTS
2300 OCCUPATIONAL TRAINING SLOTS
REGULAR WAGNER-PEYSER ISES (NO COST)
• To aid in job ready placement for CETA clients in comprehensive system

ALTERNATIVE—THROUGH COMMUNITY-BASED + OTHER AGENCIES

MULTIPLE EMPLOYMENT SERVICE AGENCIES

MULTI-SERVICE AGENCIES (MSA)
Community-based agencies offering comprehensive employment services: intake, assessment, training, placement.
Examples: YMCA, Northwest Employment Development (NED); The Woodlawn Organization (TWO)

OPERATION SER/JOB FOR PROGRESS
A community-based organization which offers the full range of employment services to its target group

DIRECT CONTRACT AGENCIES
Agencies which develop employment services for Specific groups they serve: intake, assessment, training, orientation, and/or placement
Examples: Mayor's Office for Senior Citizens (MOSC); Chicago Board of Education, Archdiocesan School Board.

JOB CREATION AGENCIES

PLACEMENT & RETENTION AGENCIES (PAR)
Perform job placement activities for their target populations. Agencies reimbursed proportionate to amount of time client is retained by employer.
Examples: Spanish Coalition for Jobs, Tri-Faith Employment, and Korean American Service

DEPARTMENT OF PERSONNEL, CITY OF CHICAGO
Develops jobs in non-profit agencies: one-half of all jobs are in unsubsidized employment for CETA clients

PLACEMENT PROJECT AGENCIES
Provide direct placement activities for the job ready.
Examples: Jewish Vocational Service, Urban League, United Auto Workers

COMMUNITY-BASED + OTHER ALTERNATIVES

SLOTS	
Work Experience	2900
Occupational Training	400
On-The-Job Training	200
Job Creation and Placement	2500
Total	6000

SLOTS	TRAINING ACTIVITIES
1200	Transitional Work Experience ($4½ Million in FY 76 Funds) Department of Personel
1700	Part-Time Work Experience ($2½ Million) Mayor's Office for Senior Citizens, Archdiocesan School Board Chicago Board of Education
400	Occupational Training Multi-Service Agencies (MSA), Operation SER/JOBS FOR PROGRESS
200	On-The-Job Training (OJT) MSA's and SER

SLOTS	PLACEMENT ACTIVITIES
600	MSA's ($600,000)
200	SER ($500,000)
1100	Placement Project Agencies ($625,000)
600	Placement and Retention Agencies ($300,000)

Chicago has developed an analytical tool called the Acceptable Occupations List (AOL) for planning for the vocational skills most in demand locally. The AOL is used to identify local manpower needs. The AOL uses 1970 national and local census data, as well as future projections based on data from the University of Illinois Center for Advanced Computation. A listing of nine occupational profile elements were identified. They are as follows:

OCCUPATIONAL PROFILE ELEMENTS

Median Income of Occupation	Income is the pivotal indicator of worthwhileness. The higher an occupation's income the more likely that the CETA client will realize significant benefits over his previous employment prospects.
Median Education of Occupation	Education represents the only measure of "realisticness." The higher the educational requirements of an occupation, the less likely that the CETA client will be able to gain admittance.
Percent in Occupation Below Poverty Line	Like income, this measure is an indicator of worthwhileness. The greater the percentage in poverty, the less likely that CETA client will realize benefits indicated by median income.
Occupational Employment in 1970 Occupational Employment in 1980	These two characteristics are primary indicators of stability. The larger the occupation in employment terms, the more

	likely that the CETA client can find and continue gainful employment in the specific field of training.
Occupation Employment Growth Rate 1976-1980	This measure serves the dual purpose of indicating stability and worthwhileness. In the latter, it is hypothesized that a higher growth rate implies greater opportunities for promotion-thus improving the occupation's worthwhileness.
Occupation Employment Total Demand 1975-1980	This profile characteristic specifically addresses the issue of skill shortage, client placement, achievability of benefits, and stability.
Replacement Occupation Employment Demand 1975-1980	Separating out the components of total demand gives the profile the added dimension of being sensitive to equitability concerns (since CETA placements will, on the whole, result in income redistribution) and the two separate forecasting components of total demand. (Replacements are a function of age distribution; expansions are a function of industry growth).

The selection of occupations for inclusion on the AOL was done on a step by step basis. The first step was the automatic elimination of occupations which pay less than $6,000 a year or occupations requiring over 13.2 years of education. After the immediate elimination process was completed, 188 occupations remained. Those occupations were coded and ranked by the nine data elements. Within each data type, an occupation received a rank relative to the median income of all other occupations. Finally, each of the nine data elements are subjectively weighed according to their relative importance to an occupation's acceptability. The system of preparing the AOL is complicated, but the AOL serves as a useful planning tool in selecting types of occupational training and as a checkpoint for existing programs. (See appendix for AOL list)

Classroom Training

The Mayor's Office of Manpower (MOM) contracts with the Division of Adult Vocational and Technical Education (DAVTE) of the Illinois Office of Education to provide over 2,000 classroom training opportunities to unemployed, underemployed, and economically disadvantaged residents of the City of Chicago through their Title I CETA grant ($2.2 million contract).

Prior to CETA, classroom training, authorized by the Manpower Development and Training Act (MDTA) was also conducted by DAVTE. While the Congress was still deliberating the final stages of the CETA legislation, Mayor Richard Daley took advance step to organize the Mayor's Office of Manpower for the city. The appointed director of that office began negotiating with DAVTE for what was later to become the CETA Title I classroom training component of the City's CETA program. By the time CETA was actually ready to become operational, the Director of MOM had his Title I program organized to the extent that the contracts had been negotiated and simply had to be signed.

The following specific goals were established by DAVTE in conjunction with MOM:

(1) DAVTE will contract for training opportunities on behalf of MOM;

(2) DAVTE will administer MOM's classroom training funds;

(3) DAVTE will monitor, audit, and coordinate all classroom training on MOM's behalf;

(4) DAVTE will solicit and utilize expert information on training and employment opportunities; and

(5) DAVTE will keep MOM informed of the number and type of training opportunities developed, the success of training, and training funds obligations and expenditures.*

As the reader can see, the scope of the contract with DAVTE is quite comprehensive. The comprehensive nature of the contract is a direct result of a mutually benevolent relationship that exists between the prime sponsor and DAVTE.

Classroom training, as other types of training programs, must serve significant segments of the local population. Those segments as identified by the Chicago Manpower Planning Council are:

Black - 64 percent

Spanish American - 15 percent

Youth - 45 percent

Older Citizens - 15 percent

All enrollees in CETA classroom training programs (funded out of Title I or the five percent funds) are eligible for the full range of supportive services offered by the prime sponsor. Available ancillary services are allowances, child care, transportation, supportive service counseling, and aid-to-first pay.

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*State Board of Education, Illinois Office of Education, Department of Adult, Vocational, and Technical Education, Response to Request for Proposal (Chicago, Illinois, September 24, 1976, p. 2)

Eligible individuals interested in participating in a CETA training programs enter through one of the twelve Urban Progress Centers or through a Multi-Service Agency (MSA). After an assessment process, individuals are assigned to training suitable to his or her needs (with no regard to whether the source of training funds is five percent monies or basic Title I monies).

All enrollees must meet CETA eligibility requirements and minimum acceptance standards as established by the local education agencies (LEA's). If a potential CETA enrollee is referred to a LEA for classroom training, that LEA may exercise the right of rejection, if it feels that the enrollee could not successfully meet the necessary requirements which would lead to completion of the training program and then placement into a job.

When a contract with a training institution is being considered, the prime sponsor and DAVTE staff meet to discuss the proposal. Proposals for training programs often come directly to the prime sponsor's office from institutions and are then transferred to DAVTE. The Division of Adult Vocational and Technical Education is currently organizing committees for electronics, industrial, and clerical occupational clusters. Membership on these committees include local education agencies and industry.

The agreeable relationship between MOM and DAVTE is a result of both early planning and communication and MOM's past satisfaction with DAVTE's performance under MDTA.

CETA classroom training is done at a variety of settings including the skill center, community based organizations, private schools, and community colleges. Most training institutions are approved by the Illinois Office of Education. The Illinois Office of Education, however, recently ruled that it will no longer accept applications for approval from non-profit training institutions. DAVTE will, therefore, develop its own approval guidelines. DAVTE generally decides where a training program should take place, assists in program development and then goes to the prime sponsor for approval of training objectives, sites, and costs. The prime sponsor is always involved in the initial negotiations with schools. On occasion, the prime sponsor makes the first move in selecting a type of training and even a desired training location. For example, in FY 1977 the prime sponsor told DAVTE that they wanted an allied health program at a local community college on an individual referral basis. A community college was the preferred site because it is less expensive (community college can be less expensive because of their tax base and because they receive additional state funding for each student). Each enrollee in the allied health program has to fulfill certain academic prerequisites. The prime sponsor is not willing, however, to pick up the training costs for enrollees until all academic prerequisites had been completed because these prerequisites could be fulfilled through adult basic education rather than using CETA funds. The prime sponsor does, however, pay allowances to enrollees during the academic training.

Classroom training is not done at community colleges to a larger extent because of two reasons. First, community colleges are unionized so that the costs of setting up class size training tailor made for CETA clients would be very high. Also local community colleges do not adequately monitor student attendance. The payment of stipends is directly linked to the number of hours each student attends class. If monitoring is inadequate, a student could receive regular stipends for poor attendance.

The Chicago Urban Skills Institute or the Dawson Skill Center was built with Economic Development Administration funds, while MDTA funds supported it with supplies, staff, equipment, and administrative costs. Seventy percent of its current funding comes from CETA and the remaining 30 percent is paid by the Illinois Office of Education for public aid students. They receive no funding from state vocational education funds. A representative of the prime sponsor's office sits on the Skill Center's Advisory Council. That Council's main function is curriculum development.

The quality of training and the placement rates at the skill center are good but the cost of training is very high. Training at private schools is much less expensive. The

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costs at the skills center are so high because they are housed in a large, modern building and use very sophisticated equipment, both of which are not used at full capacity. Even if costs were lower, however, the prime sponsor probably would not fund all its classroom training at the skills center because funding of a variety of institutions promotes a desirable competetiveness.

The Skills Center is facing a problem with the Illinois Community College Board. The skill center is a state institution which gets no state money except through public aid. The reason for this is that they have only partial approval from the state community college board and are having difficulty obtaining full approval. Some speculate that the state fears that full approval of the skill center would cause an influx of other institutions in the state also seeking approval to increase their potential funding sources.

Community based organizations also provide some classroom training. They are equipped to provide a full range of services from recruiting to follow-up. They are, however, limited in the number of occupations in which they are prepared to offer classroom training. The local SER, for example, only offers clerical training while OIC offers only automotive and clerical training.

Five Percent Funds

The State of Illinois received a total of $3,410,446 from the Department of Labor as its five percent share of CETA Title I funds designated for vocational education. Ten percent of that amount ($341,045) was alloted for administrative costs. (Ten percent of each individual prime sponsor's share was designated for administrative costs directly related to the operation of training programs) Chicago's share of the five percent funds in FY 1977 is $1,140,700. Ten percent of that amount or $141,070 stayed with DAVTE for administrative expenditures. Individual training agencies identify all costs which are administrative.

In dividing the five percent funds among Illinois' prime sponsors, the Governor's Office used a formula based on an index of needs. The formula weighed each jurisdiction against the rest of the state using the following four variables:

(1) families living below the poverty level (1970 census);

(2) males aged 15-44 and females 20-49 with less than an eighth grade education (1970 census);

(3) average monthly AFDC (Aid to Families with Dependent Children)payment (1975 Department of Public Data);and

(4) average monthly number of unemployed.

A non-financial agreement was negotiated with DAVTE which called for the use of the five percent funds to supplement classroom training funded under Chicago's basic Title I grant.

The five percent funds cover the cost of tuition fees for 880 training slots. Assessments, allowances, and other supportive services for enrollees in those slots are paid out of Title I. These 880 slots are in addition to the nearly 2,000 slots funded strictly out of Title I.

The specific occupations for which classroom training is offered are based on the Acceptable Occupations List (AOL) as are any CETA classroom training programs. The predicted occupational needs on the AOL reflect both traditional entry level skill needs as well as higher skill training. The expressed need for higher skill training is based on an anticipated economic upturn.

Five percent funds are used primarily for classes at the Chicago Urban Skills Institute. Training will be provided in the following skill areas:

Clerk Typist
Accounting Clerk
Stenographer
Machine set-up and operation
Tool and die
Drafting
Licensed practical nurse
Welding

Training appropriation funded under the five percent monies are available to all CETA applicants in the same manner as training funded under Title I. The five percent funds are completely integrated into Chicago's comprehensive manpower delivery system. This is untrue in so many prime sponsor jurisdictions and has been a major obstacle to providing coordinated manpower services to clients.

Coordination

Chicago is an excellent example of a CETA prime sponsor working closely with the vocational education system.

Rather than contract with individual agencies, the prime sponsor contracts with the Illinois Department of Adult Vocational and Technical Education for all its classroom training. Early planning and a recognition of DAVTE's capabilities led to such a comprehensive agreement. Because of this good relationship, Chicago spends much more than its five percent funds on classroom training. The prime sponsor and DAVTE work together for the benefit of the CETA client needing skill training.

Erie, Pennsylvania

Erie, Pennsylvania is located on Lake Erie, 100 miles east of Cleveland, Ohio. Approximately 130,000 people reside in the City.

The City has a Mayor-Council form of government (seven councilman). The Director of the City's CETA office meets weekly with the mayor to discuss their local CETA program.

Erie's economy is based primarily on manufacturing, with General Electric being its major employer. General Electric manufactures transit equipment and heavy machinery such as locomotives. General Electric's industrial need creates a local demand for skilled machinists and welders. Local Erie manufacturers also produce chemicals and paper.

Erie's involvement in manpower activities dates back to pre-CETA days when under the categorical system, they operated a Comprehensive Area Manpower System (CAMPS) grant. That program involved a limited funding level. In FY 1973, Erie's CAMPS grant was $47,000. As a CETA prime sponsor, Erie received $1,108,011 in Title I funds for FY 1976. Approximately, two thirds of Title I funds today are used to provide classroom training at three different institutional settings. Erie's major commitment to classroom training as the dominant mode of providing skills to the disadvantaged is a reason for its selection as a good case study site. Classroom training for Erie is provided by the following three institutions:

(1) Tech Memorial School

This institution also known as "Twin Tech", is a secondary vocational school in the daytime and an adult education center in the evening.

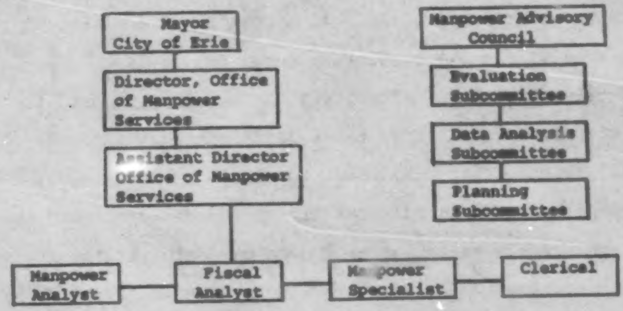
(2) County Voc/Tech School

Another secondary institution in the daytime and adult education center in the evening. Construction is currently near completion for a regional skills center adjacent to the county/vocational technical shcool. The new regional skills center will be an extension of the current facility and will serve exclusively an adult population. Classes will be offered at all times of the day, and will therefore be more accessible to CETA clients.

(3) Opportunities Industrialization Center (OIC)

This is a full service community based organization with a historical involvement in manpower activities.

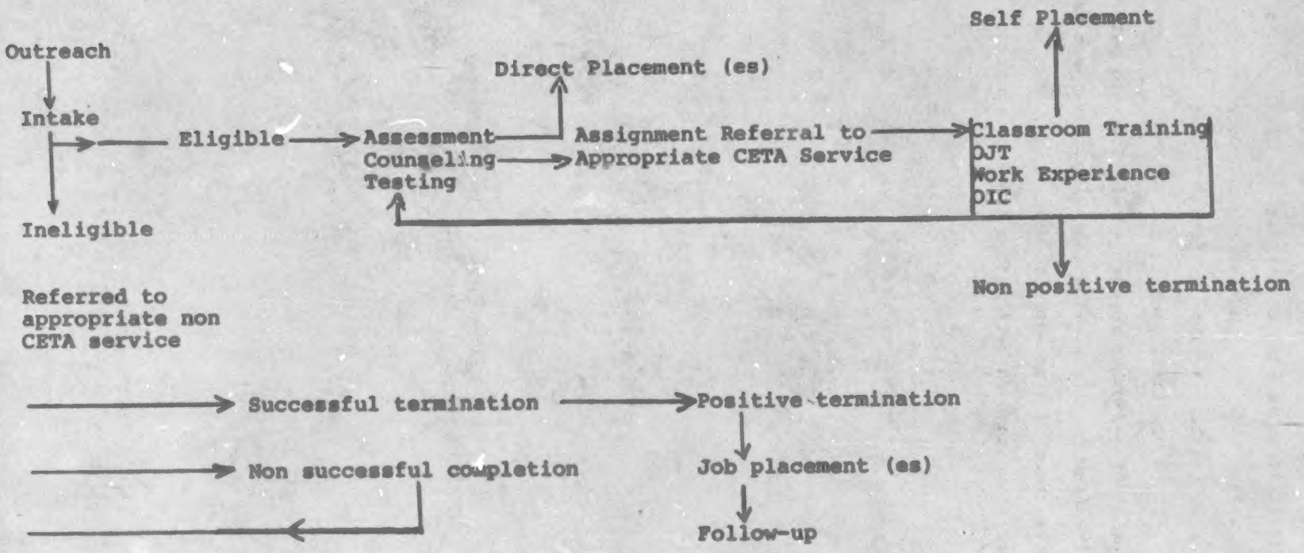
Erie's Office of Manpower Services is a small operation. The staff consists of only five professionals and is structured as follows:


Mayor City of Erie
Director, Office of Manpower Services
Assistant Director Office of Manpower Services
Manpower Analyst
Fiscal Analyst
Manpower Specialist
Clerical
Manpower Advisory Council
Evaluation Subcommittee
Data Analysis Subcommittee
Planning Subcommittee

In addition to classroom training, Erie's Title I program includes on-the-job training and work experience components. Skill training is offered in auto mechanics, general office practice, etc.

Stipends and other supportive services are paid to skill training enrollees. The following flow chart traces the route taken by a prospective CETA client from the initial entrance stage through termination from the program.

ENROLLEE FLOW CHART


Self Placement
Outreach
Direct Placement (es)
Intake
Eligible
Assessment
Counseling
Testing
Assignment Referral to
Appropriate CETA Service
Classroom Training
OJT
Work Experience
OIC
Ineligible
Non positive termination
Referred to
appropriate non
CETA service
Successful termination
Positive termination
Non successful completion
Job placement (es)
Follow-up

Classroom Training

Erie, as a CETA prime sponsor has chosen classroom training over on-the-job training or work experience for its predominant mode of skill training. Classroom training and OJT have proven to be approximately equal in effectively developing job skills, but classroom training is generally less costly and carries no prior skill requirements on the part of a client. The prime sponsor did indicate, however, that job placement rates for OJT were better than for those having completed classroom training. The better placement rates are attributable to the fact that in an OJT program, each person has a job commitment prior to entering training.

The Office of Manpower Services receives many proposals from training institutions seeking CETA funding for the provision of classroom training. Determination of the demand for specific skills is based on the Employment Service Area of Needs Survey. That devise alone, however, is inadequate in reflecting total labor market needs because the Employment Service (ES) does not contact private industry to seek out jobs. Instead, its Area of Needs Survey reflects an ongoing listing of jobs kept on file as ES is notified of their availability. To supplement ES's Area of Needs Survey, the prime sponsor uses the annual Skills Needs Survey compiled by the Manufacturers' Association of Erie. The manufacturing survey represents data supplied by approximately 90 companies, or 60 percent of the area's skilled manufacturing employment.

(A copy of the Skill Needs Survey of Manufacturers can be found in the appendix).

The City of Erie does not have a comprehensive contract with the State Department of Vocational Education for all its classroom training activities, as does the City of Chicago. Erie's entire CETA program is a much smaller operation than that of Chicago, both in terms of available resources and the number of contracts it can fund with those resources. The staff of the Office of Manpower Services reviews its own proposals and makes recommendations to the Mayor and the Manpower Advisory Council. In addition, the Manpower Advisory Council makes its own recommendations to the Mayor.

The prime sponsor does give priority consideration in awarding training contracts to local institutions who have successfully provided training in the past. After those agencies have received priority, agencies who have had other types of CETA contracts are considered. Only after the above two categories have been eliminated, are new program operators considered.

Five Percent Funds

Erie's share of CETA five percent vocational education funds for FY 1977 is $56,093. The State used a distribution formula based on four variables, each having equal weight.

They are:

(1) 25 percent of the funds on the basis of population, utilizing a 1975 projection;

(2) 25 percent of the funds on the basis of the number of persons in the area who had less than $4,000 taxable income in 1972;

(3) 25 percent of the funds on the basis of the average number of unemployed persons between October 1974 and March 1975 in the area; and

(4) 25 percent of the funds on the basis of number of persons ages 20 to 49 with no high school education in the area based on the 1970 census figures.

The City of Erie negotiated a non-financial agreement with the State Bureau of Vocational Education. The agreement calls for the creation of two classroom training programs, both to be operated by the Erie School District at the Technical Memorial School. Technical Memorial is a state vocational education institution for secondary education during the daytime and adult education in the evenings. Because it has dual function, it is also called "Twin Tech."

The two CETA classes funded with the five percent funds, train enrollees with the skills to become secretaries and Building Maintenance Technicians. Seventy five CETA enrollees are participating in the 17 week secretarial skills class. Twenty nine CETA clients are participating in the 16 week Building Maintenance Technician program.

Determination of the demand for the two skill training programs was based on the Skill Needs Survey of the Manufacturer's Association of Erie and by information gathered by the local Employer Service.

Because it is the only state accredited institution, all CETA five percent funds are spent within the Erie School District (Tech Memorial School). The state is reluctant to agree to the funding of non-accredited institutions. This is precisely the inflexibility that has caused strained relationships between many other prime sponsors and their respective states. In Erie, however, the school district has satisfied the prime sponsor with the quality of its training so that the five percent funds are spent without regrets. The prime sponsor indicated, however, that they would go elsewhere with the five percent funds if training was inferior in quality.

Coordination

Coordination of vocational education and CETA activities is accomplished primarily through good personal relationships and through the prime sponsor's participation on various local advisory committees. The county vocational/technical school has a series of advisory committees. The prime sponsor is represented on two of those committees. One of those is the coordinating committee, whose function is to investigate potential funding sources. The school is part of the state education system, but funding to date has come from a variety of sources including state vocational education, HUD, and private industry. A good example of private industry's involvement occurred when General Electric set up their own machine shop in the school, at no cost to the institution. General Electric's purpose in doing so was to train individuals on the same machines as they use in their own plant. The prime sponsor is also a member of the Craft and Skills Advisory Committee which designs the curriculum of the county vocational/technical school. Others on the committee are the personnel of the institution, other educators, and private industry.

The prime sponsor has also been invited to participate on a regular basis on the following other advisory committees outside of the skill center:

(1) Erie School District Advisory Committee--

discusses vocational education at both the secondary and adult levels in the local school system.

(2) Erie Employment Task Force--

a diversified, local group of citizens (no direct connection to the state vocational education system). The purpose of the committee is to increase employment through industrial development. The group develops strategy for retaining industry currently located in Erie and for attracting new industry to the City.

(3) Youth Advisory Council--

a youth services coordinating committee, which tries to coordinate the activities of all local agencies servicing youth.

The above groups are strictly advisory in nature and have no real authority to plan or implement any CETA or state vocational education programs. Because they do offer the opportunity for dialogue between various segments of the community, they are of importance in generating future joint planning ventures.

The prime sponsor has not, to this date, been asked for any input into the activities of the State Advisory Council on Vocational Education. They are, however, hopeful that the future will bring a change in that policy.

The relationship of the Office of Manpower Services with the CETA program agents has been quite good. The coordinator of vocational education for the Erie School District indicated that the CETA Administrator is always accessible to discuss any problems which occur. He did say, however, that he was not pleased with the vast amount of paperwork that the CETA system required of program agents.

The Director of Adult Education for the Erie County Vocational Technical School concurred with the good sentiments of the school district coordinator concerning Erie's CETA program. He did, however, have a few critical comments relating to the CETA Act. One of his concerns is that too much CETA money is spent on rehabilitation. He indicated that he would like to see a section added to CETA which would carry with it a level of funding aimed at providing rehabilitation services. Those services would include attitudinal preparation for the world of work. Title I money would then be used for more direct skill training. He also expressed the view that CETA should not have to operate on a one year basis; five year cycles and advance knowledge of funding would also allow for better planning.

Virginia Peninsula Manpower Consortium

The Peninsula Manpower Consortium is composed of six jurisdictions. They are the cities of Hampton, Newport News, Poquoson, Williamsburg and the Counties of James City and York. The land area of the peninsula covers 400 square miles between the York and James River where the Chesapeake Bay joins these rivers to form the Hampton Roads. The population of the area is 340,000 (1977 figure). The area is located 180 miles southeast of Washington, D. C.

The peninsula area includes both urban and rural populations but is generally considered as one labor market. The economy of the area is based on military installations and other defense related activities, shipbuilding, and tourism. Fifty-five to 60 percent of all jobs in the peninsula are in those fields. The excellent harbor and port facilities are responsible for most of the economic activity in the area. The two largest employers in the peninsula region are the Newport News Ship Building and Drydock Company and Liebherr America which produces cranes and other earthmoving equipment.

The cities in the consortium have a council/city manager form of government. The city manager is the chief administrative official responsible to the council. The council, elected by the people, in turn selects the mayor from its elected members.

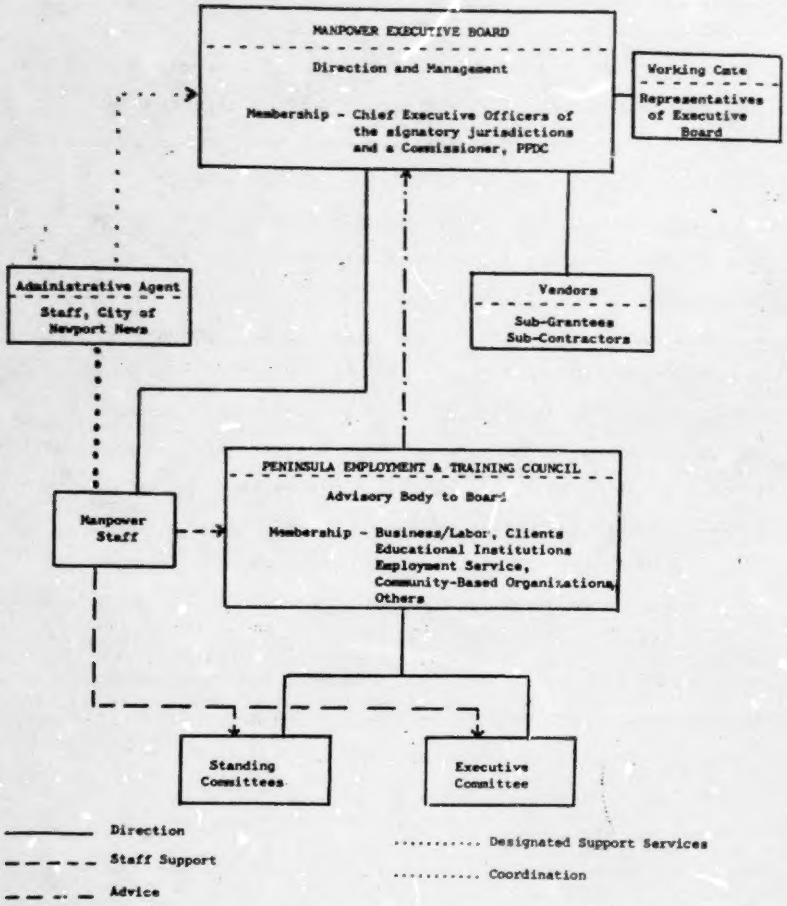
The counties in the consortium have a board of Supervisors/ county administrator form of government. The county administrator is selected by the board. The board of supervisors is elected by the people and selects its chairman from among its elected members.

In early 1974, a consortium agreement was signed by the Cities of Hampton, Newport News, Williamsburg, Poquoson and James City County and York County. The purpose of the agreement was to establish and manage a comprehensive manpower service delivery system under the authority of CETA. The consortium is known as the Peninsula Office of Manpower Programs (POMP).

The Peninsula Office of Manpower Programs is directed by a Manpower Executive Board composed of the Chief Executive Officers of each of the jurisdictions and a Commissioner, Peninsula Planning District Commission. The City of Newport News is the Administrative Agent for the Consortium and must provide fiscal and other administrative services. The Manpower Executive Board has appointed a manpower staff to assist in managing the CETA program. That staff is divided into three units - planning, operations, and evaluation. Also, in accordance with the CETA legislation, the Executive Board has appointed a manpower advisory council (Peninsula Employment and Training Counil). Membership on that council includes business, labor, education, community based organizations, etc. Eight members of the council (29 total members) sit as representatives of education. Several others, however, are situated in educational institutions but serve on the council as representatives of groups such as veterans and the handicapped.

The following is an organizational chart of the operational structure of the Peninsula Manpower Consortium.

ORGANIZATION
PENINSULA OFFICE OF MANPOWER PROGRAMS


MANPOWER EXECUTIVE BOARD
Direction and Management
Membership - Chief Executive Officers of the signatory jurisdictions and a Commissioner, PPDC
Working Cmte
Representatives of Executive Board
Administrative Agent
Staff, City of Newport News
Vendors
Sub-Grantees
Sub-Contractors
PENINSULA EMPLOYMENT & TRAINING COUNCIL
Advisory Body to Board
Membership - Business/Labor, Clients
Educational Institutions
Employment Service,
Community-Based Organizations,
Others
Manpower Staff
Standing Committees
Executive Committee
Direction
Staff Support
Advice
Designated Support Services
Coordination

Recruitment for CETA programs is carried out by various agencies in the peninsula including the area school systems, social service departments, parole and probation offices and various service organizations. Potential CETA clients are then referred to one of five Manpower Service Centers where they go through an initial assessment process. Job ready applicants are then referred to the Virginia Employment Commission (VEC). Non-job ready applicants are referred to POMP assessor/counselor where the needs of applicants are determined.

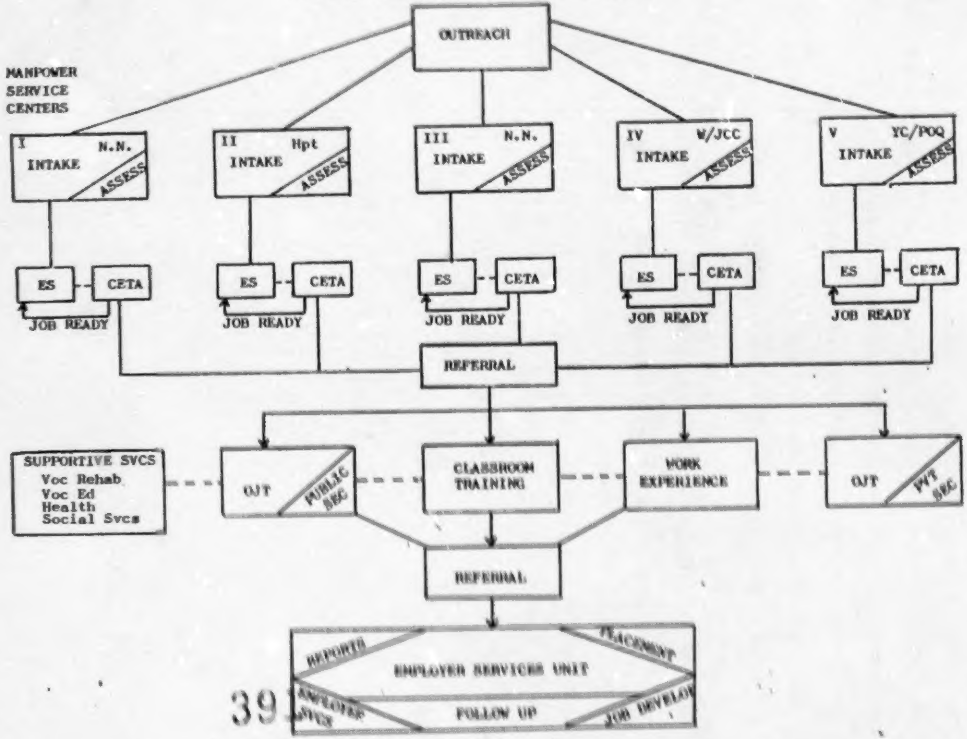
Following the advice of the Peninsula Employment and Training Council, the Manpower Executive Board reviews current and prior year performance of its subcontractors and gives planning guidance to "selected delivery agents of demonstrated effectiveness." POMP also considers proposals from new deliverers with innovative proposals.

Public or private-non profit agencies serving as subcontractors in each jurisdiction are responsible for the delivery of CETA agencies. POMP also subcontracts with the Virginia Employment Commission for services such as intake/assessment, central participant records, employer services, and allowance payments. The Peninsula Training Skill Center and the Thomas Nelson Community College serve as subcontractors for the entire consortium. The Newport News Office of Human Affairs (OHA), a community action agency, is the subcontractor for the residents of Newport News, York County, and Poquoson. The Hampton Manpower

Services Project, a department of the municipal government serves as subcontractor for Hampton residents. The Williamsburg/James City County Community Action Agency is the subcontractor for those two jurisdictions. These local agencies operate the classroom training, work experience, on-the-job training, public service employment and summer youth programs. They also, however, "buy into" ongoing activities at the skill center and at Thomas Nelson Community College.

In addition, the prime sponsor, through a subcontract, funds the Employer Services Unit within the Employment Commission. Job ready CETA clients are referred there for job placement and follow-up. The following chart illustrates POMP's manpower delivery system.

PENINSULA MANPOWER SERVICE DELIVERY SYSTEM


OUTREACH
MANPOWER SERVICE CENTERS
I N.N. INTAKE ASSESS
II Hpt INTAKE ASSESS
III N.N. INTAKE ASSESS
IV W/JCC INTAKE ASSESS
V YC/POQ INTAKE ASSESS
ES
CETA
JOB READY
REFERRAL
SUPPORTIVE SVCS
Voc Rehab
Voc Ed
Health
Social Svcs
OJT PUBLIC SEC
CLASSROOM TRAINING
WORK EXPERIENCE
OJT PVT SEC
REFERRAL
REPORTS
PLACEMENT
EMPLOYER SERVICES UNIT
EMPLOYER SVCS
FOLLOW UP
JOB DEVELOP

Determination of which skills to provide training in is based on recommendations of the Employment Commission. The decisions, however, are made by the Manpower Executive Board. Available financial resources and capital equipment are, of course, constraints which must be taken into consideration.

POMP's FY 1977 Title I training activities include classroom training, work experience, and on-the-job training. Classroom training serves 616 participants, while 335 people participate in work experience programs and 380 in on-the-job training programs.

Classroom Training

The price tag for POMP's total FY 1977 Title I program is $2,263,403. Out of that amount $821,391 is allocated to classroom training activities. That amount, is in addition to the Consortium's $151,649 share of five percent vocational education funds, bringing the total amount to $973,000. The prime sponsor also operates a coupled training program in which classroom training is combined with work experience or on-the-job training. The $973,000 sum does not, however, include funds for the coupled program which are cost categorized under work experience or on-the-job training.

All enrollees in CETA classroom training receive supportive services including allowance payments, and transportation. Also, some enrollees receive child care services and medical care.

A total of 1,612 participants are receiving classroom training under the consortium's FY 1977 CETA program. The Peninsula Manpower Training Skill Center is the largest recipient of classroom training funds. That institution is part of the state education system and was the former deliverer of MDTA training. All the member jurisdictions of the consortium buy training at the skill center, which conducts CETA funded classes in the following six occupational areas:

Bricklaying
Electronics (Radio & TV Repair)
Auto Mechanics
Clerical
Welding
Production Machine Operation

All classes at the skill center are conducted on an open-entry open-exit system. The skill center is receiving a total CETA funding of $638,099 in FY 1977. (Prime sponsor--$[illegible]; Vocational Education five percent--$15 ,649).

Skill center instructors are selected journeymen. After selection, instructors take several teaching methods courses. The skill center also provides classroom training for CETA participants in the coupled program, through a memorandum of understanding with the Hampton Manpower Services Project and the Office of Human Affairs. Each participant attends classes at the skill center at least one full day per week coupled with their OJT or work experience program. Training at the skill center has been quite good. The only unsatisfactory training has been in the training of clerical skills. The problem seems to be in the quality of the instructors. Improvement in this is anticipated in the future.

The Office of Human Affairs provides classroom training in licensed practical nursing to CETA eligible residents of Newport News, York County, and Poquoson. That training program has a funding base of $161,164 and serves 64 participants.

The Hampton Manpower Services Project provides classroom instruction to high school dropouts in Hampton which leads to a high school equivalency diploma (GED). Coupled training is also done with their OJT and work experience programs. The Hampton subcontractor also buys slots in the "CETA Goes to College Program" at the Thomas Nelson Community College.

Finally, Williamsburg/James City County Community Action Agency provides classroom training to upgrade job skills for the underemployed.

The "CETA Goes to College Program" is a Title I program operated within the Thomas Nelson Community College. The pilot program was initiated by Thomas Nelson Community College at the suggestion of the Prime Sponsor and approval by the Governor'

Manpower Services Council in September, 1975. Funding for the project came from the four percent state manpower services council (four percent of the funds available under Title I of CETA are allocated to the States for State use in providing services). Selected CETA eligible persons are enrolled in occupational skill training programs at the community college. Tuition and books are fully paid for out of CETA funds. Students are not segregated from non-CETA students at the institution.

The pilot program concept proved viable and in FY 1977 POMP decided to "buy into" the program. In fact, POMP will pick up the entire cost of operating the program in FY 1978 as the state phases out its participation.

An individual must be unemployed and "economically disadvantaged" (person whose combined family income has not in the twelve (12) months preceding enrollment exceeded current poverty guideline amounts per family, as established by OMB) to be eligible for the "CETA Goes to College Program". In addition, because it is an academic program, high school graduation or GED is required. Candidates are determined by the CETA assessor/counselor at each manpower service center and then selected from the entire peninsula on a quota basis.

Sixteen curriculum areas are offered in the program. In addition, the curriculum includes a unit devoted to preparing students for job interviewing.

Five Percent Funds

On FY 1977, the State of Virginia received a total of $1,783,985 from the Department of Labor as its five percent share of CETA Title I funds designated for vocational education. Of that amount, POMP received $112,213. The Manpower Training Service, Division of Vocational Education is the administering agency. The distribution of funds was determined by dividing the total of all ten Virginia prime sponsor's Title I allocations into each individual prime sponsor Title I allocation. The state manpower services council approved the distribution formula.

The State of Virginia does not take any of the five percent funds for its own administrative costs. State administration is funded through the four percent state manpower services money. Therefore, all the five percent vocational education funds are made available to prime sponsors for use in their jurisdictions.

POMP's share of the five percent funds is being used to supplement the cost of classroom training at the local skills center. Training at the skills center takes place in six occupations (auto mechanics, bricklaying, clerk typing, machine operating, radio and television repair, and welding).

CETA - Vocational Education Cooperation

Cooperation between the peninsula prime sponsor and the vocational education system is quite good. The Manpower Training Service, a division of the State Department of Education, is funded by the Governor's four percent CETA funds and is tied to the Manpower Services Council. This coordinated approach results in the allocation of all five percent vocational education funds directly to local prime sponsors, while the Governor's four percent funds establishes the staff to administer the program. The fact that the State Department of Education has, within its own structure, a CETA funded division is of major importance. That division (Manpower Training Service) is asked for guidance in the preparation of the state vocational education plan and other matters relating to skill training in the State of Virginia.

Coordination of CETA and vocational education activities in the peninsula area occurred largely because of an evolutionary process of interaction and a mutual concern for the constituent population. For example, through on-site visits, the POMP staff and staff of the State Manpower Training Service jointly monitor training activities at the Peninsula Manpower Training Skill Center. Also, in order to avoid duplication, the State Department of Education includes statewide CETA activities in its annual and five year vocational education plan.

The Director of the POMP staff is a member at large of the State Advisory Council on Vocational Education. As such, he does not directly represent the prime sponsor on the council, but his membership provides the council with the expertise of someone whose profession is the management of CETA programs.

Cross representation on various related committee's is further evidence of a coordinated effort between CETA and vocational education. The following are examples of some of those committees.

(1) State Plan Committee - a subcommittee of the State Advisory Council on Vocational Education. A representative of the State Manpower Services Council serves on this committee. The mission of the committee is to adapt the state vocational education plan to the Education Amendments of 1976.

(2) Peninsula Employment and Training Council - The prime sponsor's manpower advisory council includes representatives of the five school systems and the Community College included in the consortium.

(3) Newport News Advisory Council on Vocational Education - a POMP staff person serves on this newly created local advisory council.

(4) **Peninsula Adult Education Committee** - membership on this committee is composed of the five education systems, the Community College, and the six jurisdictions. The POMP Staff Director is a member of this committee.

APPENDIX

Chicago's
The Acceptable Occupations List

Occupation Number	Occupation List
1. 76	Therapist
2. 80	Inhalation therapist Clinical laboratory technologist and technician Medical laboratory technician Certified laboratory technician Medical technician
3. 82	Health record technologist and technician
4. 83	Medical assistant Radiological Technologist
5. 85	Health technologist and technician Dietetic technician Optometric technician
6. 151	Chemical technician
7. 152	Draftsman
8. 153	Electrical and electronic engineering technician
9. 162	Engineering and science technician
10. 216	Manager and superintendent, buildings
11. 280.2	Sales representative, wholesale trade
12. 281.7	Salesmen, retail
13. 303	Billing clerk
14. 305	Bookkeeper
15. 312	Clerical Supervisor
16. 313	Collector, bill and account

17.	315	Dispatcher and starter, vehicle
18.	323	Expediter and production control
19.	331	Mail carrier, post office
20.	341	Bookkeeper and billing machine operator
21.	342	Calculating machine operative
22.	343	Computer and peripheral equipment operative
23	345	Keypunch operative
24.	360	Payroll and timekeeping clerk
25.	361	Postal clerk
26.	374	Shipping and receiving clerk
27.	375	Statistical clerk
28.	376	Stenographer
29.	381	Stock clerk and storekeeper
30.	384	Telephone operator
31.	390	Ticket station and express agent
32.	391	Typist
33.	394	Miscellaneous clerical worker
34.	372	Secretary
35.	402	Baker
36.	413	Cabinet maker
37.	410	Brickmason and stonemason
38.	412	Bulldozer operator

39.	415	Carpenter
40.	430	Electrician
41.	436	Excavating operator
42.	510	Painter, construction and maintenance
43.	522	Plumber and pipe fitter
	523	Plumber and pipe fitter apprentice
		Plumber and pipe fitter apprentice
44.	550	Structural metal craftsman
45.	424	Craneman, derrickman, hoistman
46.	455	Locomotive engineer
47.	470	A/C heating, refrigeration mechanic
48.	471	Aircraft mechanic
49.	472	Auto body repairman
50.	473	Auto mechanic
51.	481	Heavy equipment mechanic
52.	482	Household appliance installer and mechanic
53.	485	Radio and television repairman
	491	Mechanic apprentice, exc. auto
54.	492	Miscellaneous mechanic and repairman
55.	446	Heat treater
56.	454	Job and die setter, metal
57.	461	Machinist
58.	502	Millwright
59.	503	Molder, metal

60.	514	Pattern and model maker, exc. paper
61.	533	Roller and finisher, metal
62.	535	Sheetmetal worker and tinsmith
	536	Sheetmetal worker and tinsmith apprentice
63.	561	Tool and die maker
64.	422	Compositor and type setter
65.	515	Photo engraver and lithographer
66.	530	Pressman and plate printer, printing
	531	Pressman apprentice
67.	552	Telephone installer and repairman
68.	563	Upholster
69.	602	Assembler
70.	610	Checker, examiner, inspector, manufacturing
71.	612	Cutting operative
72.	631	Meat cutter and butcher, exc. manufacturing
73.	621	Filer, polisher, sander, buffer
74.	622	Furnaceman, smelterman, pourer
75.	635	Metal plater
76.	656	Punch and stamping press operative
77.	665	Solderer
78.	680	Welder and flame cutter

79.	650	Drill press operative
80.	651	Grinding machine operative
81.	652	Lathe and milling machine operative
82.	653	Precision machine operator
83.	666	Stationary fireman
84.	681	Winding operative
85.	690	Machine operative
86.	695	Miscellaneous machine operator
87.	703	Bus driver
88.	705	Deliveryman and routeman
89.	706	Forklift and tow-motor operative
90.	713	Railroad switchman
91.	715	Truck Driver
92.	921	Dental assistant
93.	926	Practical nurse Licensed practical nurse
94.	931	Airline stewardess
95.	935	Barber
96.	944	Hairdresser and cosmetologist
97.	961	Fireman
98.	962	Guard and watchman security guard
99.	964	Policeman and detective

MANUFACTURERS ASSOCIATION OF ERIE
Organized 1884 · Incorporated 1914
8 West Tenth Street · Erie, Pennsylvania 16501
Telephone / Area Code 814 / [illegible]

May 1976

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Vice President
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Treasurer
RAYMOND C. WEBER
Executive Director and Secretary

GOVERNORS
P. WARNER BACON
President
[illegible]
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STEPHEN A. COMER
Operations Manager
Lord Kinematics
HARRY E. EARL
Vice President of Northern Operations
Hammermill Paper Group
Hammermill Paper Company
CHARLES E. GALLAGHER
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American Sterilizer Company
CHESTER P. GERMAN
President
Erie Magnetics
J. DOUGLAS JAMES
President
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Subsidiary of Emerson Electric Company
JAMES C. LEVINSON
President
[illegible]
ALAN J. McDONALD
Manager, Erie Relations and
Plant Services Operation
Transportation Systems Business Division
General Electric Company
GEORGE E. METCALF III
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Erie Malleable Iron Company
WILLIAM H. PFEIL
President and General Manager
Erie Bronze and Aluminum Company
HAMILTON W. STRAYER
President
Erie Strayer Company
WARREN C. WEBER
Vice President
Personnel and Community Relations
Zurn Industries, Inc.

SKILL NEEDS SURVEY OF MANUFACTURING

Your copy of the Erie labor market Skill Needs Survey of Manufacturing, May 1976 issue, is herewith submitted.

The manufacturing survey represents data furnished by more than 90 companies which employ over 60% of our skilled industrial workers. This base data was factored proportionately by type of industry to equal 100% of industry's skilled employment.

Fortune Magazine's October 1975 issue gave special mention of MAE's Annual Skill Needs Survey, referring to it as "probably the most accurate survey of local employment in the country..." The 1976 survey has been improved by adding an analysis of industrial replacement needs by individual occupations (Table 1) and type of industry (Table 2). In addition, the 1976 survey has included the gas, electric and telephone utilities. These companies have been added since many of the basic skills needed in these firms are closely related to the skill needs of area industry.

The annual Skill Needs Survey of Manufacturing:

- aids industry in future employment planning.
- assists School Boards and Administrators in implementing career education into local educational units based on the type of jobs available in the Erie area.
- provides Counselors and Teachers with occupational information to help students prepare for future job opportunities.
- aids the City and County Federal Manpower Program Administrators properly utilize over $2,000,000.00 of training monies available.
- develops an awareness throughout the community of the occupational opportunities in industry.
- assists manpower program operators plan occupational training based on the jobs to be available in the Erie area.

Skill Needs Survey of Manufacturing
May 1976
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- assists Vocational Craft Committees and Vocational Instructors in planning the curriculum, equipment and facilities needed to provide proper instruction.

- most significantly has been a basic part of the proposal which has led to the Regional Occupation Skill Center presently under construction at 8500 Oliver Road. The building will be complete by November and equipped during January 1977.

The Manufacturers Association of Erie thanks those companies who participated in this year's survey and urges those who did not to consider to do so in the years ahead. A special thanks goes to the Bureau of Employment Security Statistician, Paul Weithman, who has been of great assistance in the preparation of this survey.

Please call the Association's office (814-453-4454) should there be any questions regarding the 1976 Skill Needs Survey of Manufacturing or recommendations for future editions.

Max D. Gill
Max D. Gill
Assistant Director

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FOREWORD

SKILL NEEDS SURVEY - MANUFACTURING

Erie Labor Market Area

Over 90 area Industrial firms participated in the 1976 Skill Needs Survey. There are approximately 460 business establishments classified as Manufacturing in Erie County. Survey questionnaires were sent to 300 firms (the very small employers were omitted). The companies were classified in Standard Industrial Code groups 25 through 39 with 29 and 31 excluded due to the small employment and lack of returns in these industrial classifications. Standard Industrial Codes 48 and 49 which represent gas, electric and communication utilities were also included in the 1976 survey. The respondents represent nearly 60% of the area's skilled manufacturing employment. All data in Tables 1, 2 and 3 have been factored by SIC groups to equal 100% of the current labor market employment totals.

This is the first year Tables 1 and 2 have reported replacement needs by individual occupation and type of industry. A 4% annual loss/replacement need factor was applied. The 4% replacement need is a conservative estimate of loss of individuals employed due to death, retirement, relocation and etc.

TABLE 1

This table presents factored employment growth and replacement projections by occupation with sub-totals for occupational sections (i.e. Service, Productive, etc.). The following information is provided:

Column 1 - Occupations surveyed.

Column 2 - Total presently employed in occupation or occupational section.

Column 3 - Projected growth (additional job needs) in the occupation 1 year out.

Column 4 - Replacement need (loss of individuals employed due to death, retirement, relocation, etc.) in the occupation 1 year out.

Column 5 - Projected growth (additional job needs) in the occupation 3 years out. These figures are not cumulative; they represent additional job needs over and above those listed in Column 3.

Column 6 - Replacement need (loss of individuals employed due to death, retirement, relocation, etc.) in the occupation 2 and 3 years out. These figures are not cumulative; they represent additional job needs over and above those listed in Column 4.

Column 7 - Projected growth (additional job needs) in the occupation 5 years out. These figures are not cumulative figures; they represent additional job needs over and above those listed in Columns 3 and 5.

Column 8 - Replacement need (loss of individuals employed due to death, retirement, relocation, etc.) in the occupation 4 and 5 years out. These figures are not cumulative; they represent additional job needs over and above those listed in Columns 4 and 6.

Table 2

This table gives estimated employment totals, factored as noted below, by Standard Industrial Codes (SIC) breakdowns. This table identifies both growth and replacement needs for 1, 3 and 5 years out. The following information is provided:

Column 1 - Two-digit SIC Number.

Column 2 - Two-digit SIC Industry Group Title.

Column 3 - Total present employment. These totals are the latest available (dated June 1975) Bureau of Employment Security SIC employment breakdowns.

Column 4 - Present skilled employment in job classifications surveyed, factored to 100%.

Columns 5-7-9 - Skilled employment growth totals by SIC 1, 3 and 5 years out.

Columns 6-8-10 - Skilled employment replacement need totals by SIC 1, 3 and 5 years out.

TABLE 3

This table presents actual cumulative industrial skill needs for both expansion (additional jobs) and replacement due to labor market removals (based on data provided by Table 1 and 2).

Line 1 - Total skilled employment projection in job classifications surveyed. When read horizontally, the 1977-1979-1981 employment totals are for each period and are not cumulative.

Line 2 - Projected needs resulting from expansion (additional new jobs). When read horizontally, figures are cumulative totals for 1, 3 and 5 year periods.

Line 3 - Projected replacement needs as a result of turnover losses due to people leaving the labor market (i.e. death, retirement, relocation, etc.). When read horizontally figures are cumulative totals for 1, 3 and 5 year periods.

Line 4 - Total projected needs - total of lines 2 and 3. When read horizontally figures are cumulative totals for 1, 3 and 5 year periods.

Skill Needs Survey Table 1 Manufacturing - Erie Labor Market Area

.......OCCUPATION.......	TOTAL PRSNTLY EMPLOYED	..............P R O J E C T E D..............						
		1 YEAR OUT		3 YEARS OUT		5 YEARS OUT		
		GROWTH	REPLCMT	GROWTH	REPLCMT	GROWTH	REPLCMT	COMMENTS
SERVICE								
CARPENTER-MAINTENANCE	74	8	3	11	8	4	8	
CRANEMAN	362	18	15	10	31	13	32	
ELECTRICIAN-MAINTENANCE	241	5	10	20	21	11	22	
HELPER-TRADES	287	17	12	13	25	20	27	
JANITOR	7				1	9	1	
INSPECTOR	890	54	38	77	80	81	86	
LIFT TRUCK OPERATOR	598	9	24	20	50	24	52	
MAINTENANCE-GENERAL	430	21	18	23	38	27	40	
MAINTENANCE-MACHINIST	181	9	8	9	16	4	16	
MAINTENANCE-WELDER	60	2	3	1	5	7	6	
MILLWRIGHT	266	10	11	24	23	21	25	
MODEL OR INSTRUMENT MAKER	46	2	2		4		4	
OILER	62	6	3	6	6	7	6	
PIPEFITTER	199	8	8	5	17	3	17	
SHIPPER AND/OR RECEIVER	515	11	21	37	44	36	47	
STOCKKEEPER	518	6	21	24	44	33	47	
TESTER	643	13	26	22	54	31	56	
TOOL DIE OR GAUGE MAKER	609	39	26	57	55	60	61	
TOOL GRINDER	150	10	6	11	14	12	15	
TOOL KEEPER	72	1	3	5	6	8	7	
TOOL ROOM MACH OPERATOR	136	13	6	17	13	6	14	
TRUCK DRIVER	211	18	9	10	19	3	20	
WATERTENDER	38		2		3		3	
NOT ELSEWHERE CLASSIFIED	944	10	38	31	78	22	80	
TOTAL	7,539	290	313	433	655	450	692	

	TOTAL	..............PROJECTED..............						
	PRSNTLY	1 YEAR OUT		3 YEARS OUT		5 YEARS OUT		
.......OCCUPATION.......	EMPLOYED	GROWTH	REPLCMT	GROWTH	REPLCMT	GROWTH	REPLCMT	COMMENTS
PRODUCTIVE								
ASSEMBLER-MECHANICAL	2,279	181	98	207	209	226	227	
ASSEMBLER-ELECTRICAL	1,879	112	80	112	166	65	172	
AUTOMATIC CHUCKER	146	20	7	13	14	13	15	
BORING MILL-HORIZ-VERT	438	30	19	44	40	38	43	
BORING MILL-NC HORIZ-VERT	37	4	2	8	4	13	5	
CHEMICAL MACHINE	38	1	2	4	4	4	4	
DRILL PRESS-RADIAL	297	23	13	21	27	21	29	
DRILL PRESS-TURRET TYPE	50	10	2	11	5	9	6	
DRILL PRESS-NC	85	2	4	7	8	2	8	
DRILL PRESS-SENSITIVE	338	23	15	15	30	14	31	
ELECTRICIAN-PRODUCTION	33	1	1	17	4	3	5	
FITTERS BOILER	28	5	1	9	3	12	4	
GRINDER-SURFACE	116	10	5	24	12	31	14	
GRINDER-CENTERLESS EXTINT	131	8	6	8	12	14	13	
HELPER-PRODUCTION	465	24	20	33	41	30	44	
LATHE-ENGINE TURRET	1,030	72	44	55	92	49	96	
LATHE-NC ENGINE TURRET	105	7	5	9	10		10	
LAYOUT MAN	162	16	7	32	16	12	18	
MACHINIST-ALL AROUND	519	53	23	87	51	88	58	
MILLING MACHINE	377	24	16	36	34	30	37	
MILLING MACHINE-NC	56	9	3	8	6	14	7	
PACKER	430	8	18	26	37	28	39	
PAINTER	452	27	19	30	40	38	43	
PLANER	49		2		4		4	
POLISHER AND BUFFER	127	12	6	16	12	8	13	
PROGRAMMER-NC ALL TYPES	52	16	3	21	7	21	9	
PRESS PUNCH	528	41	23	57	49	43	53	
PRESS PUNCH NC	174	2	7	7	15	5	15	
PRESS HYDRAULIC	94		4	2	8	2	8	
SAW BAND	70		3	9	6	4	7	
SAW RADIAL CUTOFF	38	1	2	2	3	2	4	
SCREW MACHINE AUTO	143	24	7	15	14	19	16	
SHEET METAL WORKER	152	20	7	20	15	16	16	
WELDER ARC AND GAS	991	143	45	90	96	57	101	
WELDER RESISTANCE	206	23	9	17	19	30	21	
WELDER NC	40	4	2	2	4	4	4	
WELDER OTHER	202	57	10	40	23	23	25	
NOT ELSEWHERE CLASSIFIED	1,122	62	47	56	98	69	103	
TOTAL	13,479	1,075	587	1,170	1,238	1,054	1,327	

	TOTAL PRSNTLY EMPLOYED	.................P R O J E C T E D.................						
		1 YEAR OUT		3 YEARS OUT		5 YEARS OUT		
.......OCCUPATION.......		GROWTH	REPLCMT	GROWTH	REPLCMT	GROWTH	REPLCMT	COMMENTS
FORGE AND STRUCTURAL SHOP								
HAMMERSMITH HAMMER DRIVER	107	14	5	12	10	12	11	
PRESS BRAKE	198	13	8	14	18	19	19	
SHEAR	121	20	6	20	13	14	14	
NOT ELSEWHERE CLASSIFIED	163	17	7	23	16	2	16	
TOTAL	589	64	26	69	57	47	60	
FOUNDRY								
ANNEALER	32	1	1		3		3	
CHIPPER	176	26	8	16	17	12	18	
CORE BLOWER	6	1		4	1	2	1	
COREMAKER	94	8	4	7	9	10	9	
CUPOLA TENDER	13		1	1	1	2	1	
FURNACE MALLEABLE	17		1		1		1	
GRINDER-PED SWING PORTABL	73	8	3	7	7	9	8	
HEAT TREATERS	58	5	3	5	5		5	
IRON POURER	70	2	3	4	6	4	6	
MELTER-CRUCIBLE ELECTRIC	28	1	1	2	2		2	
MOLDER-BENCH FLOOR	53	2	2	6	5	3	5	
MOLDER-MACHINE SQUEEZER	137	8	6	13	12	11	13	
PATTERNMAKER-WOOD METAL	60		2	2	5	2	5	
SAND MILL	19		1	2	2	1	2	
STRAIGHTENING PRESS	20		1	2	2	2	2	
TUMBLER OR WATER BLASTER	12	1	1	1	1	1	1	
NOT ELSEWHERE CLASSIFIED	236	5	10	6	20	6	20	
TOTAL	1,104	68	48	78	99	65	102	

.......OCCUPATION.......	TOTAL PRSNTLY EMPLOYED	.............P R O J E C T E D............. 1 YEAR OUT GROWTH	REPLCMT	3 YEARS OUT GROWTH	REPLCMT	5 YEARS OUT GROWTH	REPLCMT	COMMENTS
PLASTICS								
COMPRESSION MOLDER	71	21	4	13	8	13	9	
EXTRUSION MACHINE	26	23	2	3	4	3	4	
FINISHER	118	31	6	29	14	12	15	
MOLDING-TROUBLE SHOOTER	24	4	1	4	3		3	
INJECTION MOLDER	345	50	16	45	34	50	38	
NOT ELSEWHERE CLASSIFIED	110	23	5	10	11	13	12	
	13	4	1	9	2	13	3	
	13	4	1	9	2	13	3	
TOTAL	720	160	36	122	78	117	87	
PRINTING AND PUBLISHING								
FLAT STRIPPER	49		2	9	4	9	5	
PRESSMAN & PLATE PRINTERS	130		5	9	11		11	
NOT ELSEWHERE CLASSIFIED	273	27	12	52	27	17	30	
TOTAL	452	27	19	70	42	26	46	

.......OCCUPATION.......	TOTAL PRSNTLY EMPLOYED	..............P R O J E C T E D..............						COMMENTS
		1 YEAR OUT		3 YEARS OUT		5 YEARS OUT		
		GROWTH	REPLCMT	GROWTH	REPLCMT	GROWTH	REPLCMT	
OFFICE CLERICAL TECHNICAL								
ARTIST COMMERCIAL/INDUSTR	38		2	17	4	9	5	
CLERK ACCOUNTING	562	19	23	40	49	35	52	
CLERK GENERAL	1,019	24	42	65	87	52	92	
CLERK PRODUCTION	488	13	20	20	41	12	42	
COMPUTER OPERATOR	76	8	3	7	7	19	8	
DRAFTING DETAILER	297	22	13	32	27	39	31	
DRAFTSMAN	459	46	20	58	44	46	48	
DUPLICATING MACH OPERATOR	77	2	3	4	7	2	7	
EXPEDITOR PRODUCTION	287	19	12	23	26	29	28	
KEY PUNCH OPERATOR	252	10	11	26	23	13	24	
PROGRAMMER COMPUTER	87	4	4	7	8	6	8	
SECRETARY	621	21	26	35	54	29	56	
STENOGRAPHER	286	8	12	15	24	9	26	
SWITCHBOARD/RECEPTIONIST	338	1	14	11	28	6	29	
TABULATING MACHINE	8			2	1	2	1	
TYPIST	102	15	5	11	10	23	12	
NOT ELSEWHERE CLASSIFIED	448	14	18	30	39	36	42	
TOTAL	5,445	226	228	403	479	367	511	

TABLE 2

MANUFACTURING SKILLED EMPLOYMENT PROJECTIONS BY STANDARD INDUSTRIAL CODES

SIC..........TITLE..............	BES SIC EMPLOYMENT AS OF JUNE, 1975	PRESENT SKILLED EMPLMNT	.....SKILLED EMPLOYMENT...... 1 YEAR OUT GROWTH	REPLCMT	3 YEARS OUT GROWTH	REPLCMT	5 YEARS OUT GROWTH	REPLCMT
23 APPAREL	73	48		2		4		4
25 FURNITURE	1,177	990	87	43	87	92	100	99
26 PAPER & PAPER PRDTS	1,982	835	18	34	12	69	37	71
27 PRINTING & PUBLISHING	935	524	35	22	87	50	79	56
28 CHEMICAL & ALLIED PRDTS	327	190	31	9	33	20	30	22
30 RUBBER & PLASTICS PRDTS	3,454	1,336	200	62	207	135	224	153
32 STONE, CLAY & GLASS	178	51	25	3	5	6		7
33 PRIMARY METALS	2,747	1,858	87	78	149	164	109	174
34 FABRICATED METALS	7,701	5,443	431	235	644	512	626	561
35 MACHINERY-NON ELECTRICAL	5,015	3,885	431	173	475	375	344	408
36-37 MACH-ELECT, TRANS EQUIP	14,282	9,290	480	398	340	804	148	820
38 INSTRUMENTS & RELATED PRDTS	3,311	2,208	67	91	227	196	384	224
39 MANUFACTURING-MISC	1,364	1,152	17	48	55	98	29	101
48 COMMUNICATIONS	1,945	1,186		47	23	96	16	98
49 ELECTRIC/GAS UTILITIES	630	332	1	13	1	27		27
TOTAL	45,121	29,328	1,910	1,257	2,345	2,648	2,126	2,825

TABLE 3

PROJECTED MANUFACTURING EMPLOYMENT

	1977	1979	1981
TOTAL SKILLED EMPLOYMENT	31,238	33,583	35,709
CUMULATIVE TOTAL . . . . New Jobs	1,910	4,255	6,381
CUMULATIVE TOTAL . . . . Replacement Needs Due to Above Turnover	1,257	3,905	6,730
GRAND TOTAL . . . . New Jobs and Replacement Needs	3,167	8,160	13,111

Vernon Jarrett

A man who wants jobs for everyone

APR 27 1977

THEY COULDN'T have chosen a more dedicated public servant, and they couldn't have invited him to Chicago at a more significant time.

Rep. Augustus "Gus" Hawkins [D., Cal.] will speak in Chicago Sunday afternoon when he receives the man of the year award during the Sixth Annual Unity Testimonial dinner sponsored by the Coalition for United Community Action in the Conrad Hilton Hotel.

Hawkins is a courteous and grateful gentleman, and I'm sure he appreciates the honor, but he is not coming to Chicago on an ego trip. This 70-year-old congressman from Los Angeles is coming to Chicago to talk about the waste, misuse, and nonuse of a forgotten source of energy: human beings.

HAWKINS IS cosponsor with Sen. Hubert H. Humphrey [D., Minn.] of the controversial Full Employment and balanced Growth Bill of 1977, better known as the Humphrey-Hawkins Bill.

Hawkins isn't concerned about the labels. But like Sen. Humphrey, he can become upset when critics admit that they "haven't read the bill for themselves."

Hawkins and Humphrey are convinced that unemployment in America has reached emergency proportions.

HAWKINS KNOWS that as he receives his award Sunday he will be minutes away from neighborhoods where black unemployment has reached 40 per cent. And throughout America unemployment for blacks has reached nearly 25 per cent, according to the National Urban League.

At least half or more of Hawkins' Sunday audience will be whites representing organized labor and business, particularly the construction industry. That is as it should be. Of the seven million unemployed Americans not more than three million are black.

The human energy crisis is more than a "black problem."

AFTER TALKING with Hawkins by telephone Monday, I had a brief chat with Edward Hogan, assistant director of the Chicago Construction Coordinating Committee, who informed me that "unemployment in our industry today in the Chicago area is from 25 to 30 per cent, and in certain jobs it reaches 70 per cent."

And in several skills "you can add 15 per cent for those working less than full time," he said.

Is this because of the usual seasonal unemployment in the construction industry?

"No way," answered Hogan. "It's been bad for two years. This is the real thing. This isn't funny at all."

THAT'S WHY HAWKINS will do little smiling Sunday. When unemployment within any group reaches 25 per cent, he knows that somebody is experiencing something worse than a "mild recession."

Hawkins is a smallish, cautious, solemn-but-courteous gentleman who immediately impressed upon me that I was in the presence of an individual of great physical and spiritual durability. He is completely without bombast.

Hawkins does not have the perpetual ebullience of Humphrey, but his voice rings with defiance when you mention that several of his critics have attacked the bill as another Soviet-like five-year plan.

"THAT'S ANOTHER example of critics not reading the bill," he answers sharply. Written into it are specific provisions barring government planning for the private sector. In general terms, the legislation commits government to full employment through an amendment to the Full Employment Act of 1946.

The bill also would require the President to make an annual economic report to Congress setting forth goals to reduce unemployment while stabilizing the overall economy.

Sponsors of the Sunday testimonial include a wide range of white and black citizens who are attempting a coalition for the promotion of full employment in greater Chicago.

THEY INCLUDE William F. Martin, president and business manager of Local 150, International Union of Operating Engineers; Hugh McCrae, executive vice president of the Building Construction Employers Association of Chicago; Edwin C. Berry, assistant to the president of Johnson Products Co.; Paul Carson, Jr., president of the Underground Contractors Association; James Compton, executive director of the Chicago Urban League, and Bernard [illegible], president of the Iron Workers District Council.

Other sponsors include Edward F. Brabec, business manager, Local 130, Plumbers' Union; Al Johnson Sr., president, Al Johnson Cadillac, Inc.; Ald. Clifford Kelley [20th]; and Peter [illegible], assistant regional director of the Laborers International Union of North America.

The Sunday affair is not a closed event. The public may secure reservations by calling the Coalition for United Community Action at [illegible].

Mr. HAWKINS. Thank you. I think you know very well what my response would be to you on your various suggestions because we have discussed them privately and certainly your testimony today, I think, is a valuable contribution to this subcommittee. We certainly are going to try to lean on you as time goes on for additional valuable help.

Suppose we hear from Mr. Humphrey in the meantime and if you have the time, Roman, we will then question both of you at the same time.

Mr. Humphrey of the American Federation of Teachers, AFL-CIO. We are delighted to have you.

Mr. HUMPHREY. Although I don't think anyone knew it at the time, putting the two of us on this program is quite appropriate. If you look at the statements submitted, you will find everything Mr. Pucinski said we support in one way or another in terms of viewing these bills from the perspective of an educator who feels that a simple approach to this problem right now, such as put a billion and a half dollars for the purpose of temporary jobs, will not solve a problem 2 or 3 years from now.

It is something that will in the short run achieve some very laudible goals; that is, if it generates an income that will probably help some families to meet severe financial pressures that they face.

That certainly is a laudible goal, but 2 or 3 years down the road when the national attention span begins to shift away from this problem, as it seems to in many other problems that the society faces, we wonder what will have been accomplished with a program that simply created some jobs and was just another way station on the way to permanent marginal status in the employment market.

I won't read the entire statement but I would like to highlight some of the most important aspects that we would like considered by the committee, and I ask that the statement as written be included in the record.

Mr. HAWKINS. Without objection, so ordered.

Mr. HUMPHREY. Having looked at most of the bills I think that are submitted on this very important issue, I would like to say that many of them contain encouraging approaches in one way or another. Many also contain certain problems that we think the committee ought to avoid in producing a youth unemployment bill.

For example, any program that provides a sub-minimum or substandard wage for young people who are not students we believe should be avoided. The possibility of such a program displacing the adult workers in the market, the possibility of establishing a lesser category of wage standard for anyone is something that we find objectionable and, if someone is working in a program, minimum wage protections ought to be guaranteed at the very least.

Second, we find in looking at the education amendments of 1976 much as been done to make the problems that have existed in the past in terms of vocational education that is, that it didn't address maybe to a large extent the needs of minority groups or the needs of people who did not traditionally get their skills through that channel. Much was done in the amendments of 1976 to improve that aspect of vocational education.

In addition, the education amendments of 1976 required closer cooperation on the part of CETA prime sponsors. To our way of thinking, to pass a youth employment bill that did not take advantage of that situation, now that it is just beginning to take effect and since the amendments are such a new addition to the scene, would really be to exacerbate a problem that we believe the Congress moved to solve the last time around in education.

We believe that there should be a healthy and ongoing training component in any youth unemployment program. To simply provide a job in whatever skill it may be, I would doubt that this type of program is really going to be providing jobs that are going to in and of themselves train youngsters to perform permanent work in our economy. The temptation would be to make it a simplistic type of job. Those possibilities lead us to believe a training component must be a mandated portion of the youth employment program.

We also have some concerns about some of the things in the proposal offered by yourself. For example, there is found in the bill some provision in there for the furnishing of academic credit for work performed. That is a very difficult situation to address in this type of legislation. I believe that if the bill is going to authorize—and we as an organization believe this—academic credit for work performed, it should be done in conjunction with the appropriate educational system in the area that the work is going to be performed.

I don't believe the Secretary of Labor or Secretary of Education are capable of deciding on a local level what work amounts to academic skills in the field of work.

Second, the use of trained personnel is required and qualified personnel in this training. We believe if academic credit is going to be the result of some of this, more heavy reliance ought to be made upon teachers, voc ed teachers especially, counselors, all of these, and currently these are available in most of our cities because there are not enough jobs in the education area to furnish to all the people who are trained and have skills.

Third, there should be an absolute prohibition within the law of this program acting as any kind of magnet in terms of drawing kids out of school. I realize there is language in the bill that requires assurances that no one left school in order to participate in the program. We would like to see something stronger; that is, that anyone entering the program while in school must remain in school as a continuation of the program.

I believe the pressures that will develop in terms of a youngster for the first time having some sort of independent income just might turn the trick in terms of convincing some kids that they just might do better if they left school and ended up not just in this program but permanently in the job market. Those types of temptations should be avoided and we believe it would be a simple thing to simply change that part and require that any youngster entering from an in-school position must maintain academic enrollment as well.

On the last three the AFL-CIO strongly supported those provisions. Those are the highlights of the statement and I would like to conclude on this by thanking you for the opportunity to appear.

If we can be of any further service on this matter, we would be available to you or anyone on the committee.

[The formal statement of Greg Humphrey follows:]

STATEMENT OF THE
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
FOR THE HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITY
REGARDING YOUTH EMPLOYMENT PROPOSALS.
by GREGORY A. HUMPHREY, CO-DIRECTOR OF LEGISLATION
Delivery Date: April 28, 1977

Mr. Chairman and Members of the Committee. I want to thank you on behalf of the American Federation of Teachers for the opportunity to present our views on this most important piece of legislation. In our view, youth unemployment is a subject that deserves the kind of attention that is now being addressed to it. There is no doubt that the inability of young people to find a job is a contributing factor in many other youth related problems, such as, delinquency, vandalism and violent crime. We also believe that lack of employment opportunities when young can affect a person for his entire working life.

Unfortunately, much of what is being proposed deals with only part of the problem that unemployed youngsters face. We believe that one crucial element which is instrumental to a genuine solution of the problem, namely, the role of education and training is not being adequately considered. The bills that have been introduced on this subject all contain serious flaws, such as sub-minimum wages to non-student youths seeking employment. Others look toward wage subsidies to profit-making employers as a way to generate more jobs. These approaches will not resolve the problems.

We believe that to be successful, a Youth Employment Bill must address long range problems of unemployed youth, such as, the lack of job and basic educational skills. If not corrected, these problems will permanently hamper many afflicted individuals all the way through their employment careers. It is well to try to meet an emergency situation by providing temporary employment opportunities for unemployed teenagers and young adults, but, if that is all a youth employment program does in the long-run very little will have been accomplished. Some income will have been generated, a good thing in and of itself, but when the Federal dollars dry-up, things will be as before.

The goal of any program should be to help young unemployed teenagers become self-sufficient, employable adults. And, this cannot be achieved by simply providing temporary jobs funded by the Federal Government for as long as our national attention span is capable of focussing on the problem.

Statistics tell us that action is imperative and they clearly lead one to the conclusion that something must be done. One out of five teenagers are without jobs and one out of three among black teenagers. As of March, 1977, there were 9 million teenagers in the labor force (16 to 19 years old) and the official number of jobless was 1.7 million. In addition, the Joint Economics Committee estimates that 350,000 additional would have been in the labor market looking for jobs if jobs had been available. Among black teenagers the numbers are even more dramatic and are probably under-stated because the statistics show that the participation rate for black teenage males in the labor force is 35% while the rate for white teenage males was 57%. Participation among black teenage females is 26% and white teenage females is 56%. These figures indicate a substantial number of youth with a need for jobs who are too discouraged to even look. The two major recessions which occurred during the last seven years exacerbated this problem, but statistics indicate than even a prolonged and healthy recovery will not, by itself, solve this problem. In the post World War II period, the unemployed rate for teenagers has consistently ranged from 2½ to 3½ times the national unemployment rate. Direct job creation must be initiated to begin to solve this problem and we applaud the Administrations' initiative reflected in H.R. 6138 of providing $1.5 billion over an 18 month period. Jobs are needed, but jobs alone cannot solve the problem.

We urge that this proposal be amended so that the youth employment opportunities provided do not become one more step on the way to permanent marginal status in the job market.

First, the program should contain an absolute prohibition against youngsters leaving school to participate in the jobs provided. We have no doubt that an employment program for youngsters even at minimum wage levels could act as a magnet drawing 16 to 18 year old students out of the public education system. Income needs could create irresistable pressure in that direction. The reason for this is economics at its most basic level. For youngsters who have never had a job, the independence that having an income provides will be tempting. It can lead to dropping out of school in order to pursue full time employment, or it can lead to a short changing of one's education by detracting from the necessary amount of time needed to see to it that educational work does not suffer because of the time devoted to the job. It can also blind one to the fact that in the long-run additional job and education skills will be needed for success in our economy.

Regarding our first major suggestion for H.R. 6138, that an absolute prohibition against any teenagers dropping out of school to participate in a youth employment job be enacted. The language found in Section 803b (1)(A) is simply not strong enough. It should be changed to reflect a statuatory requirement that any youth that entered the program while in school must continue in school as a condition of continued enrollment in the program. There are examples of what can be done in the Vocational Education Act.

As mentioned earlier, we find the training aspects of H.R. 6138 to be inadequate. More time and effort should be devoted to providing job training, possibly including basic education skills, than is contemplated in the bill.

The Education Amendments of 1976, Public Law 94-482, made great strides toward better coordination between CETA programs and the Federal Vocational Education Program. In fact, the statement of purpose for the Vocational Education Act says, "It is the purpose of this part to assist states in improving planning through the uses of all resources available to them for vocational education and manpower training by involving a wide range of agencies and individuals concerned with education and training within the state and the development of the education plans." Clearly this should include any youth employment and training program.

Section 121, Vocational Education Work Study goes on to authorize Federal grants to states to assist them, "to provide part time employment for youths who need the earnings from such employment to continue their vocational training on a full time basis, so that persons of all ages and all communities of the states, those in high school, those who have completed or discontinued their formal education and our preparing to enter the labor market, those who already entered the labor market, but need to up-grade their skills or learn new ones."

This description of vocational education services to be provided through the Vocational Education Act cannot and should not be ignored in any program attempting to deal with youth employment problems. The law goes on to require that all applications for funding to the Commissioner, "shall describe with the activities proposed in the application related to manpower programs conducted in the area by a prime sponsor under the CETA Act of 1973, if any, to assure a coordinated approach to meeting the vocational education and training needs of the area or community." Section 106a (4) (C) and (5)(A), "The state shall in considering the approval of such applications give priority to those applications which (1) are located in economic depressed areas and areas with a high rate of unemployment and are unable to provide the resources necessary to meet the vocational education needs of those areas without Federal assistance." The law goes on to state, "that the two most important factors that the state shall use in distributing educational funds are the abilities of the area local education agencies to provide services relevant to the number of concentration of low income families or individuals within such agencies."

In short, what we are describing is a vocational education program designed to make voc ed more available and more relevant to precisely the type of person that the Youth Employment Act is also seeking to help. Simply, in terms of using funds in the most efficient, cost-effective way, it would be folly if CETA prime sponsors did not attempt to maximize the amount of cooperation between LEA's and prime sponsors for the purpose of assuring an adequate training program for unemployed youths. We believe the law should presume that training programs be run through the appropriate LEA unless there is good and sufficient reason not to.

Section 121 also contains many sound requirements that should be applied to the youth employment program, such as, assurances that in-school students who participate are in the "opinion of the appropriate school authorities capable of maintaining a good standing in a vocational program while employed. In addition, each state must adopt a policy and procedure which assures that priority is given to the applications received from local education agencies serving communities having substantive numbers of youth who have dropped out of school or who are employed..." Section 122 of the Vocational Education Act requires that the establishment of cooperative vocational programs to help local education agencies with the participation of private and public employers establish programs that provide on-the-job training relating to existing career opportunities susceptible of promotion and advancement.

We applaud the language found in Sectios 814 and 815 regarding the use of appropriate and adequately trained personnel as supervisors. We would urge that these personnel should relate to the existing vocational education structure in those cases where the jobs or training to be provided is comparable to the training already available in the vocational education program. There is adequate reason for using certificated vocational education instructors but it is absolutely crucial considering that the other part of Section 815 and Section 852 make provision for the awarding of academic credit for work performed.

We do not believe it is correct to make decisions in Washington as to whether or not work performed under this program is truly worthy of academic credit. We suggest that any provision of academic credit be awarded through the appropriate local education agency. Regulations promulgated by the Secretary of Labor, even in coordination with the Secretary of the H.E.W., cannot substitute for the necessity of keeping this decision as the responsibility of state and local education agencies.

It would be sheer folly to start another youth employment program that is unrelated to so many of the good features of vocational education. It has been argued during the last campaign that many Federal programs over-lap with each other, offer contradictory directions and duplicate services. This is an opportunity to make sure that a new and important government initiative does not run afoul of this problem. There is also much that is currently being done in the schools about youth employment.

We urge that Hearings be held to investigate what is currently in place and how it works. The effectiveness of this program can only be maximized in the long-run if this is done.

In conclusion, we ask that the youth employment program be authorized so that it expires with the rest of CETA. We believe that many of the assumptions that were made in 1973 are no longer valid and that much could be done to improve the Act. We also believe that all of the aspects of CETA, such as, Youth Employment, Public Service Employment and Job Training should be coordinated for maximum effectiveness. These decisions cannot be made in isolation from each other.

Thank you for the opportunity to present our views. We will be happy to answer any questions.

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Mr. **Hawkins**. Thank you.

We have a few minutes before we may have to recess temporarily to vote in the House.

Mr. Clay, any questions?

Mr. **Clay**. Yes.

Mr. Pucinski, the witness who preceded you, Mr. Savage, recommended that we provide services to all unemployed youth regardless of socioeconomic background. What is your position on that?

Mr. **Pucinski**. I appreciate what he said and there is a problem. but there is just so much money to go around. It seems if we just be realistic in our assessment, as I said in my statement, the figure released earlier this week by the Labor Department shows that a family of four cannot survive in an urban area with less than $10,000 a year and just to stand still they need $16,000. So if we use realistic figures, I think it will be reaching those who need the help most urgently.

Mr. **Clay**. Would you urge that we target the eligibility somewhere between $10,000 and $16,000?

Mr. **Pucinski**. Somewhere in there. For instance, I believe—I mentioned the Taft High School in my testimony, it is a very affluent community, the per capita income just be around $16,000 a year and yet there are some 80 youngsters that are under the work-study program because their parents are dead, they are living with grandparents, limited income. There are various factors and you should treat each case on individual merits. If your standards are realistic, I think you will reach the people who need the program most.

Mr. **Clay**. Thank you.

Mr. **Hawkins**. Mr. LeFante.

Mr. **LeFante**. No questions.

Mr. Weiss.

Mr. **Weiss**. Thank you, no questions.

Mr. **Hawkins**. I want to thank both witnesses, unfortunately, at this time we do have a vote in the House.

Roman, for your benefit, for the past week we have been meeting every day in the House and voting to approve the journal of the preceding day. That is the extent to which we have degenerated since you left.

[Brief discussion off the record.]

Mr. **Hawkins**. May I thank you both for your statements this morning. I think it would be unreasonable to try to keep you until after the recess. However, we will be calling on both of you in the future and we appreciate your appearing here this morning.

Mr. **Pucinski**. The National Advisory Council is your agency; you created it. It is responsible to the Congress and the National Advisory Council on Voc Ed is available to work with you, particularly in the areas of work-study and cooperative education, which I hope you will seriously consider.

Mr. **Hawkins**. Thank you very much.

The committee is in recess for five minutes for the purpose of voting in the House. We have gone just about half way through the agenda this morning, so I hope that the members will return and allow us to complete the schedule.

[Whereupon, a brief recess was taken to vote.]

Mr. HAWKINS. The next two witnesses appearing on a panel together will be Marion W. Pines, administrator on behalf of the Baltimore Metropolitan Manpower Consortium and Mr. William Brumfield, assistant director of the Hennepin County Department of Manpower Planning, Minneapolis, Minn.

Would you kindly come forward, please.

Mrs. Pines, suppose we call on you first. We certainly are appreciative of both the witnesses appearing here today and we hope that we will not be interrupted too much this afternoon, but I think everyone recognizes that we are in session and that we are proceeding under some handicap. However, we are going to try to give as much time as we can to the witnesses remaining because we appreciate your appearance.

You may proceed.

[Statement of Marion W. Pines follows:]

STATEMENT BY

MARION W. PINES
ADMINISTRATOR

ON BEHALF OF
THE BALTIMORE METROPOLITAN
MANPOWER CONSORTIUM

ON

H.R. 6138
THE YOUTH EMPLOYMENT & TRAINING ACT OF 1977

BEFORE

HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
APRIL 28, 1977

Mr. Chairman, members of the Subcommittee on Employment Opportunities, I am Marion W. Pines, Administrator for the Baltimore Metropolitan Manpower Consortium, and I thank you for this opportunity to testify before you on H.R. 6138, The Youth Employment & Training Act of 1977.

First of all, I want to commend both the Congress and the administration for recognizing the severity of the youth unemployment problem and for your willingness to make a sizeable commitment of resources to begin to deal with the problem.

In addition, we strongly support the inclusion of the proposed new youth employment initiatives as an integral part of CETA. Local elected officials, as CETA prime sponsors, have already established delivery systems in every city and county in this country. They have already acknowledged their critical youth employment needs - acknowledged it by devoting more than 60% of scarce Title I dollars to training and work experience activities for youth. What we critically need are additional resources to be channeled through these existing delivery systems.

H.R. 6138, the Youth Employment and Training Act of 1977, is a significant step forward and we strongly support the intent and spirit of the legislation. However, as a prime sponsor administrator, my concerns must go beyond intent and spirit - and must deal with how we - and over 450 other prime sponsors across the country will have to translate this piece of legislation into action - immediate action program activities designed to alleviate a problem of crisis proportions.

In my view, thousands of community clean-up projects, as described in Part B and Part C, of this legislation are not going to be the long-range solution to such a massive unemployment problem. A quick-fix, band-aid approach only obscures the developmental needs that youth employment programs must address. Youth who are unemployed are often school drop-outs; they often lack basic communication skills; they have little or no knowledge about the local labor market or how to negotiate their way through it to eventually become economically self-sufficient. They need occupational and remedial training, vocational counseling, opportunities for vocational exploration, job search skills, and of course job opportunities. I think we all agree that we do not want a cosmetic solution to our youth problem, yet this piece of legislation, as presently drafted, addresses symptoms and suggests fairly prescriptive solutions in the program activities described. In addition, we feel that the speedy implementation needed may be seriously impeded by the labyrinth of administrative procedures outlined in the legislation.

Let me cite some examples of what could be potential administrative problems as posed by the legislation in its present form.

-First of all, the bill's approach to the delivery of services is not unified. For three years prime sponsors have been working to develop coordinated service delivery models which minimize duplication and overlap. In Part C the program of services and resources will be shared by CETA prime sponsors as well as the successful bidders for exemplary proposals with no mandate for coordination. Local chief elected officials recognize that, like Federal officials, they have no monopoly on good, innovative, or creative ideas. They need and welcome suggestions that come from the grass-roots. In fact, Baltimore has just been honored as the recipient of an "All-American City" award in recognition of its successful partnership between citizens and government in community problem-solving. But our problem solving efforts must be coordinated, not competitive, or we may find ourselves working at cross-purposes. Therefore, we strongly support the underlying CETA concept of total community resource allocation through the prime sponsor mechanism. This will not only reduce the confusion of youth who otherwise would have to shop around for service; it also improves responsibility and accountability for program outcomes.

-A second problem that can easily be addressed by technical amendments deals with eligibility. There are different eligibility criteria for each part of the bill which will make outreach and intake procedures unnecessarily complex. In addition, a youth may be eligible only for the program section that does not meet his individual needs. Part A and B of this bill state that eligible youth must be unemployed, while Part C has income criteria as well. We support instead, a set of common eligibility criteria for all youth programs, and we specifically endorse the use of the "lower living standard income level" as the benchmark for eligibility. This will allow us to address the needs of the children from families of the so-called "working poor" as well as families on public assistance. Additionally, we urge that you consider an amendment that would permit any earnings of the youth who participate in these activities to be disregarded when computing total family income for other family members seeking CETA services.

-Inconsistencies are again apparent in the proposed distribution of funds to local service deliverers. For example, Part A has no allocation formula. Part B relies on project submission to the Department of Labor with no prescribed formula or criteria for distribution. Part C uses a combination allocation formula and project approach. While not lacking in variety, these diverse allocation methods certainly are not consistent with the local decision-making and local accountability inherent in CETA.

-As you know, prime sponsors are now preparing for Public Service Employment projects to be funded as part of the President's proposed economic stimulus package. So we have some very current experiences with the project application process. Baltimore has had more than 540 projects submitted, Seattle 803, San Francisco 900. I cannot imagine this review and approval process, multiplied by 450 prime sponsors, and then escalated to the level of the Department of Labor, nor can I envision the decision-making process for approval. The thought is mind-boggling to say the least. We support instead the local prime sponsor's determination of which activities and sub-sponsors are consistent with local needs and local quality control. And we support allocations based on a formula that takes into consideration key youth unemployment indicators. With CETA prime sponsors being held accountable for outcomes, decision making by absentee decision makers in Regional Offices is not only inconsistent with the ACT, I'm afraid we'll find it unworkable as presently described in Part B.

-As an appropriate supplement to the community program activities, we applaud the creation of a National Young Adult Conservation Corps. However, greater assurances are needed that a percentage of Part A dollars will be targeted to public lands in cities and counties (e.g. vacant lots, parks, access ways). Otherwise youth from urbanized areas who have the most critical employment needs will have to depend entirely on residential programs involving costly travel expenditures.

-One final example of unnecessary administrative complexity is the establishment of separate parts in the bill which provide for similar program activities. For instance, activities prescribed in Part B are allowable in Part C. We support the integration of Parts B & C into the Comprehensive Employment and Training Program section.

For the sake of illustration, let me cite some examples of the kind of youth employment and training activities Baltimore would like to initiate under such a youth employment bill. Right from the top the Baltimore model stresses coordination with existing youth programs, educational institutions, community organizations and the business community. Perhaps the most interesting element however, is the set of premises that form the foundation for our youth employment strategies.

First, the Baltimore model stresses programs that reach a variety of functional levels. From our past experiences with our nationally acclaimed alternative-curricula program, Harbor City Learning, we have learned that:

1) the average student is 3 years behind his peers in the traditional classroom
2) 30% of the enrollee population has been involved with the criminal justice system
3) 22% of the students are parents themselves

In other words, we will need programs for youth who are job-ready, functionally illiterate, in-school, out-of-school, truant, or contemplating dropping out of school. Each of these groups of youth have special needs requiring special program designs. Additionally, the Baltimore model recognizes that youth very often need several kinds of resources in order to prepare for their place in the labor market.

Therefore, a 2nd important premise of the Baltimore model, is that services should be delivered on a sequential basis. That is, youth should be able to take advantage of a block-building series of services which are designed to meet their changing needs.

The ultimate outcome, of course, is the transition to private sector employment, and the sequential delivery of service helps to establish the focus on this goal.

Tied to this concept is the 3rd premise, that the private sector be involved in all phases of our youth employment programs. Whether it's teens of local business and industry, or hands on training, the private sector is a tremendous resource that has hardly been tapped. It's a mutually beneficial interaction, as youth gain exposure to the demands of work, and the employer has the opportunity to make a direct impact on the quality of career education. The private sector commitment pays off when the community gains a better prepared, more qualified workforce.

Another basic premise underlying the Baltimore model, is that supportive services play a key role in a youth's successful program participation. That's why the Baltimore program would incorporate a Parent-Infant Center where day care is provided to the children of youth program enrollees, and also serves as a learning lab for the young parents; a vocational exploration program that provides a series of business and industry tours; and a resource center that helps to counsel participants in making the best use of the sequential resources, while also serving as a source of unsubsidized job referrals for program completers.

The 5th and final premise of the Baltimore approach is really quite fundamental, and that is that the entire range of youth services retain as much flexibility as possible. Our experience with youth resources has shown us that the goals of a given youth program can change, as the needs of its participants change. We therefore want to promote program designs that are flexible enough to evolve along with the youth being served. For example, our HCL program began as a school-retention strategy, an alternative curriculum model that might have the holding power that traditional schools did not have. Once HCL proved its ability to hold student's interest and enrollment, the goals of the program shifted to skills development, vocational exploration and unsubsidized job placement.

In summary, we strongly support the concept of expanded youth employment programs as an integral part of CETA. CETA prime sponsors are in place and ready to provide effective, innovative, and responsive youth employment programs if adequate resources are funneled through a unified delivery system.

CETA prime sponsors have already established linkages to other human resource agencies, have already exhibited the flexibility to administer large-scale programs, and have proven that they can design local programs that meet local needs. Rapid program start-up is essential, and that's when the CETA System is at its best.

Youth unemployment is a very real threat to this nation's social and economic stability and expansion. Both in-school and out-of-school youth need the opportunities to develop their employability and that means developing a variety of program strategies that go beyond make-work. What we must focus on are flexible strategies to develop our future workforce. The quality of the present and future laborforce has tremendous implications for each community's economic development. If Baltimore's economy and the nation's economy are going to grow, we will need skilled, productive, and experienced youth to enter our laborforce.

Productive roles for our youth have been ignored in this country for too long and we are now beginning to pay the price. Effective and responsive youth programming now may help to lower that price in the future. Mr. Chairman, I congratulate the Congress and the Administration for addressing the problems forthrightly - and I hope that this Subcommittee will consider my suggestions as constructive support for your legislative efforts.

Thank you for this opportunity to testify before you.

STATEMENTS OF MARION W. PINES, ADMINISTRATOR, ON BEHALF OF THE BALTIMORE METROPOLITAN MANPOWER CONSORTIUM; AND WILLIAM BRUMFIELD, ASSISTANT DIRECTOR, HENNEPIN COUNTY DEPARTMENT OF MANPOWER PLANNING, MINNEAPOLIS, MINN.

Ms. Pines. Thank you, Mr. Chairman.

I am Marion Pines, administrator for the Baltimore Metropolitan Manpower Consortium, and I thank you for this opportunity to testify before you on H.R. 6138, The Youth Employment and Training Act of 1977.

I am not going to read from the text which I think the committee has before them, but would rather take a few minutes just to highlight what we consider some of the important issues.

Mr. Hawkins. The statement in its entirety will be entered in the record at this point.

Ms. Pines. Thank you.

I think we can just discuss some of the major points that are of interest and concern to us and then perhaps spend a couple of minutes describing how Baltimore might spend some of that money that might be of interest to the committee.

I think we all agree the most important thing to come out of this is to improve the goal of the future quality of the labor force. It is not a short-range problem we are facing in our cities and counties, the promblem of youth unemployment. We are concerned with the long-range tied to the economic development of our local areas. The only way to be concerned about that is to ask, what is the labor force going to look like a couple of years from now. A short-term make-work solution does not give us much security about where we may be in three, 4 or 5 years.

I think that has to be our out-front concern and certainly our overall concern as we design our youth strategies in Baltimore.

As we review the legislation, I just say we are pleased to see the administration and the Congress give official cognizance to the youth employment problem of the country. We started to read this legislation and many other drafts of legislation with a view to how we will translate it into action at the local level. So we had more than just an academic interest in this program.

As we looked at translation, we saw some problems. First of all, I have mentioned there is an awfully strong legislative emphasis on job creation and we don't think that merely job creation as a strategy is going to solve our long-range problems. I know other witnesses have stressed the same point. It gives very short shrift to employment without development.

I think the youth that are unemployed in this country are not a homogeneous group. All don't need the same solutions to their problem. So we need a variety of strategies to begin to deal with the kind of problems that youth exhibit before us.

One solution, make-work, is not going to make work in the long run for us in we want to really improve the problem of our future labor force in the country.

The second thing of concern to us as to how we will really translate this legislation at the local level is that we must recognize prime sponsors have been in business now for almost 3 years. We already acknowledge we have a serious youth unemployment problem and I think anyone who reviews were the funds have gone will see that almost 60 percent of title I money has gone to youth and youth activities.

So what we need is more resources. We know that but we would like to see the resources plugged into the delivery systems we have already spent 3 years laboriously building. We have set up some good strong interfaces with our Voc Ed systems. With the criminal justice system we have worked to do that over 3 years.

We would like to see the additional resources come in as part of this unified system that we already have, in many cases have well in place throughout the country.

So, I think that is an important concern, that we not bypass painstaking kinds of relationships that have already been established in our local communities.

Now, let's talk about implementation. I know everybody is concerned about speedy implementation and it seems to us that as the legislation is now drafted there is a lot of complexity in there that will seriously impede smooth and speedy implementation.

Under part A, for example, I understand your committee is now redrafting some of this legislation and part a may or may not remain in but wherever part A or the youth conservation corps concept goes in, I think at the local community level we have to be concerned about how are youth funneled into that activity. As the present legislation reads, that can be referred by a multitude of resources—the prime sponsor, the employment service, youth serving agencies, and enterprising youth persons can shop all over the community and get his name on 27 lists. We don't think that makes for a reasonable, logical, well-thought-out delivery system at the local level.

We would urge wherever youth conservation corps ends up as part of the national strategy, the input to that strategy be coordinated through the prime sponsor delivery system. They already have this relationship and that will save a los of confusion and duplication of efforts if we give the prime sponsors that responsibility. You know who to hold accountable if you have a prime sponsor deliverying for you.

Our other problem as far as smooth and speedy delivery deals with eligibility. There seems to be a lot of different eligibility criteria. In two of the sections it is unemployed and in the third section it is unemployability and income criteria.

I would have a difficult time figuring out who fits in which strategy. I will pick the strategy the kid is eligible for rather than the strategy that helps him most. We would urge uniform eligibility criteria. We will have an intake system throughout the country. We give a lot of training but they are only human beings. I would stress that we deal with in-school, out-of-school unemployed youths and I would opt for the lower standard of the Bureau of Labor Statistics. We would get children from the working poor as well as children from families getting public assistance.

I think the lower living standard, it is a family in Baltimore making $400, and that varies across the country. That addresses people who are working as well as people with unemployment. I feel more comfortable with that than the new 70 percent phenomenon we have come up with. We are dealing with an economic disadvantaged figure, a 70 percent lower standard figure and the standard allocation is based on the lower standard of living. It is an enormous complex of income criteria and I think that could be simplified and would make implementation easier.

We have real problems with the part B and the project application format now being suggested. We ask for projects from all community groups, then forward them to the Department of Labor for some review mechanism. I can only tell you the very concept is mind boggling.

Let me tell you what we are going through at the local level getting ready for public service projects. That is part of the legislation, project approval. Baltimore had over 540 projects submitted for approval. Seattle, I understand, has 800-some. San Francisco, 900. I can't imagine that multiplied by 450 prime sponsors and escalated to the Department of Labor for some sort of decision making.

I think it will be unwieldy, unworkable and will totally paralyze the regional offices of the Department of Labor. I don't know on what basis they could make a reasonable decision. We strongly opt for giving that responsibility to the local prime sponsors and holding them accountable for what happens. I just feel to make the decision on who shall be, what kind of projects shall be approved and making some judgments about the quality or ability to deliver that for subsponsors is just beyond the area of reasonable decision making on the part of the Department of Labor. I think it would be unwieldy and would totally wreck the whole CETA concept, first of all.

I understand and am pleased to hear you are considering combining B and C and I was about to recommend a combination of section C and B of the act. In truth, everything described in section B is allowable under section C and only sets up another administrative unnecessary categorical solution to these problems.

Another thing I would urge is that the formula for youth be keyed to severity of youth unemployment. We are concerned at the variety of formula and allocations being considered and would hope you think about keying this to the severity of youth unemployment.

Basically that is our concerns with the legislation. We feel it is a bit prescriptive, a bit too prescriptive in its approach and unnecessarily administratively complex. I suggested some ways I think that could be simplified.

You may be interested in know how we might propose to spend some of our time in Baltimore.

Jay, do you want to put up a little chart?

Basically we have been doing preliminary planning and our approach to thinking about this, we already have what you probably may have heard about. Baltimore has an alternative curricula program called the Harbor City program. We funded that under title

I. What we found out about the youth we are already serving in that program is that 20 percent have been through the correctional system, about 20 percent have children of their own and all of them are 3 years behind their peers in where they should be as far as school is concerned.

What this says to us is that you need a variety of services. You have to have a variety of services to serve a variety of youth and we feel a sequential approach might well be the thing that will end up giving us the most productive future labor force. Kids might step in at any point they need. So if a youth may need remedial education you work out a system in conjunction with the local school system. He will begin to need to learn the disciplines of the labor market and what it requires of him.

We have had good success with linking remedial education to work experience. In our Harbor City program, for example, if a youth is in a health cluster, we may call it, his academic work is totally related to the health field and his work experience reinforces what he learn in the classroom and the classroom experience reinforces what he learn on the work assignment.

We have taken 600 dropouts and put them in a design like this to see does this design have holding power and we have found that 75 percent of the youth who were 100 percent dropouts will stay with an activity like this. They understand the relevance of the educational experience. They are reimbursed for their part in the work experience, so it has both the income and the educational component. We feel the private sector has to get involved in this process from day one. They are going to be the eventual employers of our youth and if they don't get in and understand the perceptions of the problem, the dimensions of the problem, help us design our curriculum that eventually meet their needs, expose their plants to youth, expose some of their supervisors to youth—whether we borrow them for vocational exploration training or whatever, we have to get the private sector involved in this problem immediately and we have been successful in doing that. I think that should be spelled out in the legislation as part of congressional intent, that they be involved.

Mr. HAWKINS. How do you involve them?

Ms. PINES. We involve them in—to begin with, we call labor advisory committees. Before we set up any occupational training programs, we invite the major employers in that area to say to us, is there going to be a need for this occupation to begin with, because if there isn't, we will stay away from it. If there is, tell us what your entry standards are so when we are doing training we are training to your eventual needs. We don't want to be training in a direction opposed to you. We don't want to train on manual typewriters if you have not used them in 30 years, to give a simplistic example. We try to focus. The information we need from them is extremely cooperative. Employers see that we are trying to tailor programs to meet their needs and we get a very concrete involvement now.

Eventually, what we have not been as successful in doing and we think should be a part of this, is as we move youngsters through these various kinds of cycles that we move them as the perfect transition from school to work into on-the-job training in the private sector.

The economy—I don't have to go over that. It has not been in good shape the last couple of years and the private sector has been in a layoff or plateau state. They have not been able to move into OJT. We hope as the economy expands we can do much more with on-the-job training. We think it is an ideal work-school strategy. If we can give kids an alternative experience, work experience and counseling, some attention to their child care needs while they are in these programs, that they will be in much better shape to then be a potential employee in the private sector. We then move them to OJT.

I want to stress this support of services. Twenty-two percent of those kids have children of their own. When we analyzed absenteeism, we found many youngsters were home taking care of their own children. We are talking about 16-, 17- and 18-year-old kids. We have put in a parent-infant center in which babies ages 1 to 4 are in a parent education program and they use themselves, the parents have to attend classes there to learn parenting skills. We see this as an important component of any kind of youth strategy.

I am sure Baltimore is not alone in this kind of experience of this particular retarded group. We see all of these kinds of experiences and kinds of resources that come to youth as making up the total package. Just putting them out there with a regular broom and a community cleanup program sounds great, but I am not sure what we are going to end up with a year from now.

I think we have to look at where we will end up with these programs a year from now. We are talking about a considerable expenditure of funds and we would like to see them used as constructively as possible for the long-range good of all of us.

Mr. HAWKINS. Is all of this done with funds from title I?

Ms. PINES. Yes, through title I on a limited basis. This would be the kind of model that could be expanded. We are dealing with 600 youngsters in a model like this funded by title I. We could use 5,000.

Mr. HAWKINS. Some of your funds must come from other services.

Ms. PINES. We have the Department of Education to pay for the teachers in the parent-infant center. We provide teachers' aides through public employment. LEAA has provided some of the funds for youngsters coming directly out of juvenile correctional institutions who were very concerned with after care. You know, interestingly enough, LEAA said, create short-term public jobs for these youngsters when they come out of the Maryland Training School for Boys. Our response was a 6-month public service job for these youngsters will leave the mnowhere. Where will they be at the end of that 6 months? We would rather move them into an area like this where they get work experience and have a longer-range development approach to it. We have found this is beginning to pay off.

We have LEAA money, Department of Education through their regular funds, some PSI, some title I. We have begun to package these book grants to put together some worthwhile program designs. This is an example of the kind of strategies you could begin to put together. It is in-school and out-of-school. We have had good examples of taking in-school youngsters who have been truant and said, well, if we give them a part-time job, will this have any impact on the truancy rates, and have seen a marked decrease in truancies. This can be used for all kinds of leverage to accomplish community goals.

We also try to take kids in vocational education programs and give work experience related to the educational program, feeling that will ease the school to work transition. We are dealing with a variety of needs and all of it, again, we have to tie back to the economic development and viability of our communities.

We feel our future lies with these youth and we are concerned that we develop them to the maximum.

Mr. HAWKINS. Ms. Pines, we will get back to you.

Mr. Brumfield.

Mr. BRUMFIELD. I am pleased to testify before this committee on behalf of Prime Sponsors of Minnesota and employment programs in general. Before preparing my testimony, I conferred with the Prime Sponsors of our region as well as our planners concerning the employment problems of our youth.

High unemployment among youth is among the most serious examples of America's failure to make full use of its productive resources. Unless a comprehensive program for youth employment is developed, young people will remain excessively unemployed even during periods of full employment.

The youth unemployment problem should be addressed within the larger context of policies designed to bring about full employment generally; however, it must be recognized that the achievement and maintenance of full employment is, in large part, dependent upon solving many of the special employment problems faced by young people; for, although young people make up only one-quarter of the labor force, they account for nearly half of the unemployed.

The dimensions of the youth unemployment problem are startling. There are more than 5.2 million unemployed youth between the ages of 16 and 24. Over 3.5 million are unemployed, another 300,000-plus are so discouraged that they have given up looking for work, and nearly 1.5 million more are working only part-time because they cannot find full-time employment.

Rather than creatively responding to the youth unemployment problem, too many people have attempted to make young people the cause instead of the victim. For instance, the promoters of the notion that unemployment is primarily the result of a youthful population bulge would have us believe that the problem merits no great alarm or corrective action.

Assuming that past trends continue, the Congressional Budget Office has estimated that the passing of the youth population bulge will reduce unemployment by only 1.3 percent from 1975 to 1980 and only by two percent by 1985. Moreover, three significant trends indicate that the prospects for even such minimal improvements may well be overly optimistic.

First, the labor force participation rates for white youth continue to rise as fewer youth are going on to college. Second, the black youth population will have risen by 44 percent from 1970 to 1980, with black youth, who face special employment problems, becoming a steadily large proportion of the total youth population. Third, the unemployment rate for the older youth age group—to to 24 year olds—is higher than it was a few years ago, indicating that unemployment persists for an increasingly large proportion of the youth population as it grows older.

The official youth unemployment statistics do not adequately reflect the employments needs of young people. They do not count those who are so discouraged that they have dropped out of the job market altogether nor those who are forced into part-time jobs instead of the full-time jobs they seek and need. Youth unemployment frequently takes the form of low labor force participation. Young people who can't find work give up looking and they may eventually give up hope.

The need to create more part-time job opportunities is not adequately recognized. The inability to gain part-time work forces many young people to leave school. Thirty percent of jobless students have difficulties meeting school expenses. About 9 percent of unemployed out-of-school youth have had to cut short their education because they could not find part-time employment. Large numbers of youth are trapped in secondary labor markets where jobs are low-paying and unattractive; advancement opportunities are limited and training is rarely provided.

Youth unemployment has serious consequences both for the young and for society. Unemployment slows the development of work habits and work skills which are so crucial to the young person's future in the world of work. The inability to gain employment is especially damaging to young workers and can leave a scar effect that can persist for years and interfere with later performance in the labor market. Youth unemployment does not end with the teenage years. Unless more jobs are provided, the high rates of unemployment for youth in recent years will create escalating unemployment rates further up the age hierarchy and lead to an increase in public dependency.

While we are aware of the special problems created by youthful unemployment, it is not enough to simple create jobs; we must also develop full, comprehensive programs for our young people—programs which would include:

One, updating and modifying the role of vocational schools.

Two, fostering a smoother transition from school to work.

Three, preparing disadvantaged youth for jobs through education, training, medical services, counseling and other supportive activities they so desperately need.

Four, combinations of education with work including apprenticeship—or preapprenticeship—programs, OJT and work study.

Five, job-market education and job counseling.

Six, Career counseling and guidance.

Our young people, especially those in their last year of high school or in transition, are particularly vulnerable and insecure and oftentimes completely lost in the work world.

The commitment to a comprehensive program as expressed in this bill and the Javitts-Humphrey adendments are laudable. The rural and urban conservation corps would be of great public service and offer young people invaluable job experience, and the same can be said for the more individualized programs.

Steps must be taken, however, to insure that the programs be well-coordinated, that each prime sponsor be allotted enough money to adequately meet the needs of its youthful constituents, and that our youth program concentrate on creating job opportunities that expand the job market. It does us little good if we train young people with out-moded skills, or jobs which have no possibility for advancement. We must be very careful that we do not simply place youth in jobs that adults or other youth would have held anyway, and we must be careful we do not create false expectations for masses of young people.

In order that we might provide comprehensive programming and adequately meet the needs of our clientele, we offer these amendments to the bill. They are as follows:

Section 803;(1)(c): Change from "to have a rate of unemployment equal to or in excess of 6.5 percent" to "to have a rate of youthful unemployment equal to or in excess of 8 percent."

A number of people have testified to that, that we should look at the youth unemployment rate rather than the overall unemployment rate in that area.

Second, Section 806: insert: "Prime Sponsors" after "agreements" and delete from: "after consultation" to "public agency or organization."

Section 813;(a) 1n.F: Change "one-half of one percentum" to "three percentum."

Section 833;(a) 1n.1: Change "fifty percent" to "seventy-five percent," changing the formula for distribution of funds based on the number of people unemployed and the low income persons residing in that geographic area.

We would also like to see a change in section 833 when we pick up the data for the youth unemployment. There has been a lot of statistics given out about youth unemployment. We are in the process of developing our own type of census to go out and find out what the actual youth unemployment is in our particular communities and what geographic problems are associated with it and what the incomes of these particular youths are. We would like some flexibility built into the bill so we could use that data if we develop it and it is a valid measure of the unemployment rate and the economic situation.

Under section 835 we are talking about the targetting provisions. Again, I think, as many other prime spoonsors indicated, the targeting provision, the 70 percent of lower income is making an assumption that we are going to be able to serve just those people and there is no one else out there that needs it or those people need it worse.

We would like to see some flexibility on that part through giving the primary sponsors a chance to develop the data, setting up the plan that has to be reviewed by the Secretary of Labor that if it didn't meet the requirements of the act, it would be denied. Or we would go with a hundred percent of the lower living standard. We also endorse and urge the passage of the Javits-Humphrey amendments to this bill.

While our young people would be participants in the youth programs for 12 months or less, we are prime sponsors cannot support part A, National Young Adult Conservation Corp in its present form as it would return the youthful person to unemployment after only 12 months of work experience.

We propose the CETA prime sponsors be charged with the responsibility of selecting appropriate youth for the National Young Adult Conservation Corp in conjunction with the State Employment Service Agencies and further that after the 12 months of work experience, the youthful participants be returned to prime sponsors for job counseling, placement and supportive services which is in spirit and the intent of this act.

The potential of a well-coordinated, comprehensive, year-round program which would:

1. Expand job opportunities
2. Teach marketable skills
3. Develop personal work habits and a sense of responsibility, and
4. Expand the job market

is inspiring. It is time we began the process.

Mr. HAWKINS. Thank you, Mr. Brumfield.

Mr. Le Fante.

Mr. LE FANTE. I have no questions, but I would like to thank the witnesses for their testimony. I am particularly interested in the Baltimore situation because I have so many areas in my district that are similar.

I do have one question. You talk in your presentation about programs designed for in-school, out-of-school unemployed youth. Were you specifically referring to the parents portion of the out-of-school youth?

Ms. PINES. No; I think many youth who are officially in school are half in and half out and all of our strategies should not be just concerned with the kids who have already dropped out of school, but we should have some preventive approach, too. I am talking of kids, your 11th and 12th graders who we have to be concerned about transisting to the work world. We have to reinforce when they finish school by reinforcing the school experience. If we can take the truants who are officially in school and get them back into the school system by adjuncting on to their traditional school curriculum, whether the children be in a parent-infant center, augmenting the counseling services that might be in the school, I just think we need a preventive approach as well as a band-aid approach once the problem has escalated to the dropout in unemployment.

Mr. LE FANTE. One witness refers to it as a scotch-taped approach. You just referred to it as band-aid. It is something that needs major surgery. The average student in Baltimore is 3 years behind his peers, 20 percent of the enrollee population has been involved in the criminal justice system, 22 percent are parents themselves. Why is this allowed to happen?

Well, I know why.

Ms. PINES. I hoped you weren't going to ask me to give you an answer.

Mr. LE FANTE. We both know why. I think what we are talking about here could be called a band-aid problem. We are not getting at the roots of the problem. The cancer will be there. We take the so-called victims of society and treat them and hope because of our treatment the next generation will be better. It does not work that way.

Ms. PINES. It may. We are saying, taking the youth of those we described, these are just the ones dealing in this particular program. Just giving a job for a year will not address all the problems shown by the prescription we just gave. We have addressed for a longer range commitment, not just the 12 months.

Mr. LE FANTE. When they move on, what about the kids filling their seats in the classroom? Will they be in the parent group? Will they be in the criminal justice system? We have to get to the roots of the problem. We must face up to reality and get to the root of the problem and eliminate the cancer. How can this program help?

Ms. PINES. This will only be one facet, you are right. This is dealing with one part and one affected group. The Department of Justice is putting in a program to help reform the criminal justice proogram. Cities are getting funds to make them more economically viable. Housing is giving funds to help with housing. All of these impact on the way families live or disintegrate. It is the total urban strategy of the administration or the Congress that will have to deal with it in its totality. This is merely one facet.

I think we would all be kidding ourselves if we thought this bill would solve the problem. You are correct. I think we are encouraged to begin to see an urban strategy coming into the cities that we hope will begin to alleviate the problem.

Mr. LE FANTE. Thank you. I want to compliment you. By reputation you are doing an excellent job. Thank you for appearing.

Mr. HAWKINS. Mr. Weiss.

Mr. WEISS. Thank you, Mr. Chairman. No questions.

Mr. HAWKINS. May I thank both witnesses. I think you have been most helpful and I agree with Mr. Le Fante that the work in Baltimore has been cited many times and I hope the committee may before long go in the field to see the program in operation. I think it is helpful to see some model programs so that we can write into the legislation the provisions that will bring about many more such programs and certainly we hope to be visiting Baltimore.

Ms. PINES. On behalf of Mayor Schaeffer we would be honored to have members of the committee come visit us and hope members of your staff will follow up on that.

Mr. HAWKINS. Thank you, and thank you, Mr. Brumfield.

The next witness is Mr. Roger D. Semerad, chairman of the board, 70001 Ltd.

Mr. Semerad is accompanied by Katherine Reddan, director of 70001, Newark, Del.

If I mispronounced you name, I apologize.

STATEMENT OF ROGER D. SEMERAD, CHAIRMAN OF THE BOARD, 70001 LTD., ACCOMPANIED BY KATHERINE W. REDDAN, DIRECTOR, 70001 LTD., NEWARK, DEL.

Mr. SEMERAD. My name is Roger Semerad, you are very close.

As chairman of the board of 70001 Ltd., I appreciate the opportunity to more fully acquaint all of you with our employment and training program; 70001 is specifically designed for unsubsidized employment leading to career development for any of the 750,000 young people who drop out of our Nation's high schools each year. It is one of the best examples that I know of, where business, education, and young people work together to address the problem of youth unemployment.

Participants in 70001 are the prototype of that segment of the population which has been identified by President Carter, Members of Congress, and the Department of Labor, as having the greatest propensity toward delinquency and/or maintenance on our public welfare rolls—the unskilled, unemployed, unmotivated, economically disadvantaged, high school drop out. The typical 70001 participant is 17.5 years of age, economically disadvantaged, unemployed, and unskilled, having left school in the ninth grade. Twenty-nine percent of the young people in our program have been arrested on at least one occasion. There is an equal complement of men and women.

Basically, 70001 is a comprehensive program that provides rapid unsubsidized employment, on-the-job training, education and personal motivation for young adults between the ages of 16 and 22. Although the primary emphasis is currently on career development within the fields of retail and distribution, many of our young people are finding successful employment in other industries such as health services, manufacturing, and insurance. Some of the reasons for this success are that 70001 also addresses those basic elements necessary for successful employment within industry such as interview skills, the application process, attitude, appearance and motivation; 70001 is in the process of expanding its career development activities to encompass many of the other opportunities that exist within the private enterprise system.

At the present time we have 27 programs operating in 13 States throughout the Nation. I think it is important to point out that we are the only employment and training effort locally operated under national guidelines and one of the few directed exclusively at unsubsidized employment within private enterprise.

We believe local commitment is the key to any successful manpower effort whereby all the programs are funded and operated locally, often from CETA funds; 70001 serves as the subcontractor providing technical assistance necessary to implement the program, such as: intensive staff training, development of a youth organization for personal motivation and skill development, implementation of a vocational instruction program, job development, and mobilization of national employment resources in support of our young people in any community and site selection.

Additionally, we provide the ongoing quality control to insure the young people, the funding agency and the business community that there will be a successful 70001 program in their community; 70001 has been successful because it provides young people with more than a job by introducing a pattern of successes to replace the pattern of failures that were, in most cases, the students' primary experiences in school, when job hunting, and in their personal lives; 70001 was begun in 1969 in Wilmington, Del., with a grant from the Thom McAn Shoe Co. Thom McAn's executives at that time were concerned with the economic and social problems caused by unemployed and out-of-school young people. They approached the 200,000-member Distributive Education Clubs of America, better known as DECA, for help in providing a means for these young people to obtain immediate employment along with the job training, basic education and personal motivation they would need to enter the fields of marketing, retail and distribution. It is, and was, a logical extension of distributive education, since the majority of of young people work full time in entry-level positions in order to advance in the retail business.

During the first 3 years the program cost less than $1,200 per placement and 71 percent of the participants stayed in their jobs for at least 1 year. Impressed with our success, the Community Services Administration contracted with DECA in 1973 to develop the 70001 program in all interested communities that would manage and finance the program, with DECA 70001 franchising their special expertise and quality control. Under that 2-year contract 70001 expanded to a network of 17 programs and was, once again, able to demonstrate a job retention rate of 71 percent. However, as DECA was never intended to be a training agency for out-of-school youth, it was mutually agreed that it was necessary to become separate organizations.

To carry on the effort, in February 1976, a new nonprofit corporation was formed in Delaware known as 70001 Ltd. Concurrent to the formation of the corporation, a $628,000 contract was awarded 70001 from the National Programs Division of the Department of Labor's Employment and Training Administration. The contract came as a result of 70001's continued success in placing young people in the job market during the most severe economic depression since the 1930's.

As I mentioned previously, the growth has continued to the current 27 programs—which reflects more than a 50 percent increase during the last year alone. We recently negotiated a second-year contract with the National Programs Division for the expansion to 12 additional cities. At the present time 70001 costs nationally about $1,240 per job placement which is less than one-third of the average national cost per CETA participant.

Giving a static national level of funding, we plan to have at least 50 programs operational by 1981 which will provide services to the approximately 10,000 young people yearly.

At the present time 75 percent of our revenue comes from the Department of Labor while 25 percent is generated through franchise fees and other private sources of revenue. We plan to at least reverse this ratio by 1981 and shortly thereafter be totally self-sufficient, given economy of scale, continued expansion of our program network, and private support.

It is important to examine the long-term effects of the success which 70001 has experienced. At the end of 1976 we conducted a followup survey of graduates from the programs. The study involved 13 70001 programs in five States. Of the 430 graduates randomly sampled, 53 percent responded. Although you can review the complete summary of our findings in annex A, some of the highlights of that study were: 75 percent of the graduates were employed or furthering their education. Of those working, 91 percent were in full-time jobs with wages averaging $3.13 per hour. Only 15 percent of those available for employment were without jobs and many of them had been employed since graduation from the program. 30 percent were involved in some form of higher education ranging from courses in the military to enrollment in 4-year colleges. Over 70 percent of the graduates rated their involvement with 70001 as excellent or very good.

It is important to reiterate that this study was done on "positive" graduates and becomes increasingly impressive when one considers that almost 80 percent of the participants were positively terminated or graduated. Successful completion of the program is based on a participant achieving the necessary skills and attitudes to make him or her a valued employee; receiving a substantial promotion or entering the management training program within the company; entering the military services; or a full-time program of higher education.

Since its inception 70001 has served over 10,000 young people. The 2,000 participants last year alone, earned well over $1.5 million. It is our belief that within 2 years after graduation a young person has paid back the cost of training through the payment of Federal and local taxes and the foregone welfare payments.

We do not believe that 70001 is a panacea in itself, but view it as a viable component in any total plan which seeks to address the persistent critical unemployment problem that faces our Nation. 70001 can be distinguished from other employment and training programs in many ways:

All the jobs are entirely unsubsidized. The young people are placed in real jobs with real employers. Frankly, we view subsidized employment as artificial and a disincentive for personal growth. With exception to instances of highly specialized pre-employment training necessary for a desired job, that is, computer programming, subsidies probably are not necessary to secure employment. There has never been a time in the history of 70001 that we did not have more jobs in the private sector than young qualified people.

The cost per placement averages less than one-third of the national CETA cost per participant—$1,250 per placement versus $3,200 per CETA participant on the national average.

The program provides for obtaining a high school diploma while working full-time on the job. We feel this is an important link in any training effort for the reasons of personal growth and developing marketable skills.

I would piggyback on Roman Pucinski's emphasis on the education part of any youth employment program, Mr. Chairman. We feel this is critical because we can get them a job but it is that high school degree that sets them on their way and will cover them when the Federal funds begin to back away from the program.

70001 is the only manpower training program providing a structured program for individual motivation for high school dropouts through the nation's first youth organization designed especially for the dropout—the 70001 Career Association, known as SEVCA.

SEVCA is one of the most distinguishing features of our program and the one that provides the basis of individual interest and enthusiasm for being a member of 70001 while working on the job and building up his/her self-confidence. Young people are allowed to participate in the entire program for as long as deemed appropriate, whether it be 6 months or 18 months.

The marriage of business, education, and Government as problem-solving agent is working well in 70001. As we have grown tremendously over the past year, 70001 wants to make every effort to insure that our training program continues to meet the needs of young people as well as the free enterprise system. Thus, the Business and Congressional Associates of 70001 were formed with this mission in mind.

There are currently 28 firms and trade associations such as Sears, J. C. Penney, Montgomery Ward, Walgreens, General Motors, and the American Retail Federation participating in the Business Associates of 70001.

They are assisting us, not only in the mobilization of job resources on a local level, but more importantly they are working with us to strengthen and expand the focus of 70001.

A more detailed description of their responsibilities and a listing of members can be found in annex E and annex F. Let it suffice to say, that as a result of this cooperative effort, as well as the thoroughly researched program design, we have more jobs than young people. By this time next year we plan to have a fully accredited training program for entry-level employment within the distributive field.

Additionally, the Business Associates will be exploring, with us, other career development areas which are currently not being addressed by other manpower efforts such as health care occupations.

The Congressional Associates Group of 70001 is currently chaired by Congressman Bill Frenzel and is comprised of Members of Congress who have agreed to provide advice and guidance to the national staff and more importantly, positive reinforcement to our young people who are the hallmark of 70001's success. This bipartisan group is currently comprised of 18 members and we look forward to and hope to double its size by this time next year.

Looking at the current situation, we want to commend President Carter and Congress for placing such a high priority on addressing the issue af unemployment among the Nation's youth. This is truly one of the Nation's most serious long-term problems and one that we have found some success working with.

Our experiences with CETA (70001 went into business at almost exactly the same time CETA did) are that with each passing month the people who are running the local prime sponsors and balance of State organizations are feeling more confident and better equipped to decide on new approaches to solving old problems. The fact that so many 70001 programs, for example, have been initiated is proof that they are willing to try something new to them which has a record of success elsewhere.

In addition, we have found among the CETA prime sponsors and balance of State organizations, the linkage to the community necessary to find the proper operating agency for the maximum success of the program. Therefore, it is our judgment that CETA prime sponsors and the balance of State organizations provide one of the best possible immediate means of expanding the efforts directed to reducing unemployment, whether among young people or older workers; 70001 does not dispute the need for such programs as the National Youth Conservation Corps and Young community conservation and improvement projects, particularly for young people trying to turn around their lives in areas of high unemployment.

My word of caution is that in preparing the training course and work experience slots, you actively solicit the input of the private sector. This will help insure that a young person will be "employable" upon the completion of the program within the various industries, for certainly all of them cannot be absorbed by the public sector.

Too often we have all seen that people are prepared for jobs that don't exist once they have completed their training and/or they are improperly prepared for the job. Any unemployment effort must bring together representatives of both the public and private sector early in the process to insure full understanding and maximum productivity.

Our major concern with many bills under consideration is the underutilization of the private sector. We strongly urge and offer our record as proof that a greater proportion of funds be provided for private enterprise employment, since so many more people can be served for the same amount of dollars used to provide one slot of public service.

As you know, the economy is on the upswing, employers in the private sector are hiring—and we can say confidently that today's 70001 programs have more jobs available than have young people ready to fill them. The jobs are there, employers need only feel confident about the supporting services the young people will receive once they are hired. 70001 has in part been successful because of its ability to match up young people and the job. The importance of the job placement component blended with ongoing support services and counseling cannot and should not be overlooked in any employment training effort.

The potential of 70001 to serve the unemployed high school dropout within its current design is really only limited by the level of funding. Our track record speaks for itself. Thus, you may want to give serious thought to utilizing 70001 as a bridge to unsubsidized employment career development opportunities for young people within the private sector.

Thank you for your time and attention to our program. Kate Reddan—director of business and Government relations—and I would be happy to entertain any questions that you might have.

[The attachments to the statement follow:]

The following materials are attached:

ANNEX A	Follow-up Survey of 70001 Graduates
ANNEX B	Year-End Statistical Report, 70001 Ltd.
ANNEX C	Description of the 70001 Career Association (SEVCA)
ANNEX D	Flowchart of Associates' Participation in a 70001 Program
ANNEX E	Description of a Business Associate
ANNEX F	List of Business Associates
ANNEX G	Description of a Congressional Associate
ANNEX H	List of Congressional Associates
ANNEX I	List of 70001 Programs

ANNEX A

70001 Ltd.

FOLLOW-UP SURVEY

One area very important to 70001 Ltd. as the first year of operations under the Department of Labor draws to a close is the follow-up of 70001 graduates to determine post graduate occupational and educational activities.

Armed with the following data, 70001 may analyze its longer range success in serving disadvantaged youth and gain valuable insight into those areas which, with improvement, may enable us to provide more opportunities to the youth of our nation in the years to come.

GRADUATE: An associate who is a valued employee, has achieved necessary skills and attitudes to make him/her a desired employee, has received substantial promotion within his/her company, has entered into a management training program, has entered the military services, or has entered into a full-time program of higher education.

PROCEDURE:

1. Each 70001 program which had graduated 10 or more 70001 Associates was asked to participate.

2. Each participating program was asked to submit a list of names and addresses of all 70001 graduates to the national office.

3. Upon receipt of these names, a random selection was made of graduates to be surveyed from each program.

4. 70001 Ltd. mailed an interview guide with cover letter (Appendix to each graduate and enclosed a self-addressed stamped envelope to encourage response.

5. A list of those graduates who received the mailing was provided to each participating 70001 staff member. The staff members were encouraged to follow up the mailing by phone contact and personal interview when necessary to encourage maximum response.

The participating programs include:

1. Capital 70001--Dover, DE
2. Newark 70001--Newark, DE
3. Wilmington 70001--Wilmington, DE
4. Hartford 70001--Hartford, CT
5. Norwalk 70001--Norwalk, CT
6. Hennepin County 70001--Minneapolis, MN

HIGHLIGHTS OF SURVEY OF 70001 GRADUATES

70001 Ltd., at the end of 1976, conducted a Follow-Up Survey of graduates from the program. The study, completed in February of 1977, involved thirteen 70001 programs in five states. Of 430 graduates polled, 227--or 53%--responded. Here are some of the highlights of the study.

-- 3 out of 4--75%--of the graduates were employed or furthering their education.

-- Of those working, 9 out of 10--91%--were in full-time jobs.

-- Full-time wages averaged $3.13 per hour; part-time $2.41 per hour.

-- Only 15% of those available for employment were without jobs, and many of them had been employed since graduation.

-- 30% were involved in some form of higher education, ranging from courses in the military, to four-year colleges.

-- Half of the graduates in higher education were attending four-year, junior or vocational colleges; while 12% were in trade or business schools.

-- 7 out of 10 (70%) of the graduates rated the value of their involvement with 70001 as excellent or very good.

-- 73% rated as excellent or very good the youth organization's (SEVCA) effectiveness in helping them learn to work with others.

-- 63% of those working were involved in occupations within the field of retailing and distribution.

7. University of Tennessee 70001--Knoxville, TN
8. St. Louis 70001--St. Louis, MO
9. Northwest, MO 70001--St. Joseph, MO
10. Northwest, MO 70001--Maryville, MO
11. Southeast, MO 70001--Cape Girardeau, MO

At the commencement of the survey, a total of 430 names and addresses were received from the participating programs. The vast majority of these 70001 associates graduated during FY76; however, some responses were received from associates who graduated as far back as FY73.

The information in this survey represents data submitted by 227 graduates or 53% of the total list of graduates submitted by participating programs. (All percentages are rounded to the nearest whole number).

EMPLOYMENT INFORMATION:

1. Employed - 144 - 63%
   Full-time- 131 - 91%
   Part-time- 13 - 9%

2. Hourly wage

   Full-time - $3.13 per hour [wage not reported - 10]
   Part-time - $2.41 per hour [wage not reported - 1]

3. Total number unemployed - 83 - 37%

4. Unavailable for employment

   a. Furthering education - 26 - 31.3% of unemployed
   b. Unable to work because of illnesses - 3 -- 4% of unemployed
   c. Housewife or pregnant - 10 - 12% of unemployed
   d. Not interested in employment - 0 - 0% of unemployed
   e. Other reasons

1. In jail	2	2%	of unemployed
2. Transportation problem	1	1%	of unemployed
3. Laid off/awaiting recall	4	5%	of unemployed
4. Illness in family	1	1%	of unemployed
5. Awaiting entrance into military	1	1%	of unemployed
6. Lack of childcare service	1	1%	of unemployed
Total unemployed who are unavailable for employment	49	59%	
Total unemployed and available for employment	34	41%	

	Total unemployed and available for employment in relation to total graduate response		15%
	Total currently unemployed who have had employment since graduation	52	62%
5.	Currently in armed services	10	4%
6.	Involved in higher education Includes attendance at:	68	30%
	a. Four-year college	13	19%
	b. Junior college	14	20%
	c. Vocational college	8	12%
	d. Trade school	6	9%
	e. Business school	2	3%
	f. Other	25	37%
	Management training	1	
	Cosmotology	3	
	Night school	1	
	Military	8	
	Washington Institute	1	
	Not indicated	8	

GRADUATE FEELINGS ABOUT 70001:

1. The value of my involvement with 70001 was:

Excellent	50%
Very Good	19%
Fair	28%
Poor	3%

2. 70001 prepared me for the future?
3% found the question not applicable, of the remaining number:

Excellent	20%
Very Good	52%
Fair	25%
Poor	3%

3. How did the 70001 instructional materials relate to my job?
15% found the question not applicable, of the remaining number:

Excellent	19%
Very Good	37%
Fair	33%
Poor	11%

GRADUATE FEELINGS ABOUT 700001? (continued)

4. The youth organization helped me learn to work with others:

Excellent	30%
Very Good	43%
Fair	24%
Poor	3%

5. If a friend asks me about 70001 would I tell him the program is:

Excellent	58%
Very Good	38%
Fair	3%
Poor	1%

OCCUPATIONAL CATEGORIES:

Food Services	18	(18)
Sales	15	(15)
Cashier	5	(5)
Supervisor/Management	6	(6)
Clerical	12	(12)
Secretary	4	(4)
Stock Clerk/Warehousing	7	(7)
Construction	6	
Manufacturing	17	
Maintenance	11	(5)
Nursing/Lab Tech	3	
Truck Drivers	5	(5)
Automotive Service/Repair	8	(8)
Receptionists	2	(1)
Domestic	4	
Tradesman	4	(2)
Miscellaneous	7	(3)
Armed Services	10	
Totals	144	(91)

( ) Denotes occupations in retailing and distribution

A summary of the follow-up survey data appears in Appendix 15.

Follow-Up Survey of 70001 Graduates

	Number	%
Total Respondents	227	100
Employed	144	63
Unemployed	83	37
a. Unavailable for employment due to furthering education	26	11
b. Unavailable for employment because of household duties, pregnancy, illness, etc.	23	10
c. Available for employment	34	15
d. Uninterested in employment	0	0
In Higher Education	68	30
a. 4-year college	13	6
b. Junior college	14	6
c. Vocational College	8	4
d. Trade School	6	3
e. Business School	2	1
f. Other (i.e., night school, military)	25	11
In Armed Services	10	4

ANNEX B

70001 Ltd.

Year-End Statistical Report

2/15/76-2/14/77

Individuals interviewed	2628
Individuals accepted into 70001	1492*
Male	727
Female	765
White	939
Black	503
Mexican American	11
Puerto Rican	24
Other	15
Age at last birthday	
16 years old	296
17 years old	389
18 years old	300
19 years old	213
20 years old	160
21 years old	74
22 years old	39
23 years old or older	21
Highest school grade completed	
6th grade	2
7th grade	28
8th grade	155
9th grade	447
10th grade	516
11th grade	335
12th grade	9
Family receiving public assistance	479
One or more parent absent from home	554
Economically disadvantaged	908
One or more arrests	440
One or more convictions	233
Never before employed	277
Previously employed but unemployed for 3 mos or more	820
Referred to other agencies	391
Number in pre-employment training	1450
Number placed on jobs	1152
Full-time	895
Part-time	256
Number active on jobs (as of February, 1977)	385
Full-time	312
Part-time	73
Total hours worked by participants	656,565
Total earnings by participants	1,651,312
Total terminations (negative & positive)	1514
Male	792
Female	721
Number negative terminations	359
Number positive terminations (including graduates)	1155
Number positive terminations who are graduates	1071
Number enrolled in G.E.D.	1787
Number completed G.E.D.	200
Number in adult basic or remedial ed. activities	862
Number completing any series of 70001 inst. mat'l	932
Number promoted on the job or given raise in pay	166
Number SEVCA members	2004

*Does not include 500+ associates in program as of 2/15/76.

70001 Ltd.

Year-End Statistics

2/15/76-2/14/77

POINTS OF INTEREST

** 70001's positive termination rate is 76%. These are young people who have been either placed permanently on jobs or have moved into other positive activities (the Armed Forces, higher education or other training activities).

** 70001's job placement rate is at an all-time high of 77%

** The median age for 70001 Associates is 17.5 years.

** The median school grade completed is between the 9th and 10th grade.

** Better than 60% of those enrolled are economically disadvantaged.

** 29% had been arrested--53% of those arrested had convictions.

** 88% were upgraded through completion of G.E.D., completion of some series of 70001 vocational instructional program or through a raise in pay or promotion on the job.

** The average hourly wage for 70001 Associates is $2.51 per hour.

** 70001 Associates earned over $1.6 million during the 1976-77 contract year.

** 200 Associates have completed their G.E.D. requirements and have received their diploma.

** Of those Associates entering the 70001 program 49% were male and 51% female----63% were white and 37% were minority races.

** 99% of all Associates were high school dropouts.

** SEVCA membership reached 2,000.

ANNEX A

WHAT IS SEVCA?

The 70001 Career Association(SEVCA) is the first national youth organization to serve the specific employment and educational needs of high school dropouts and to recognize their positive economic, educational and social achievements.

WHEN WAS SEVCA FORMED?

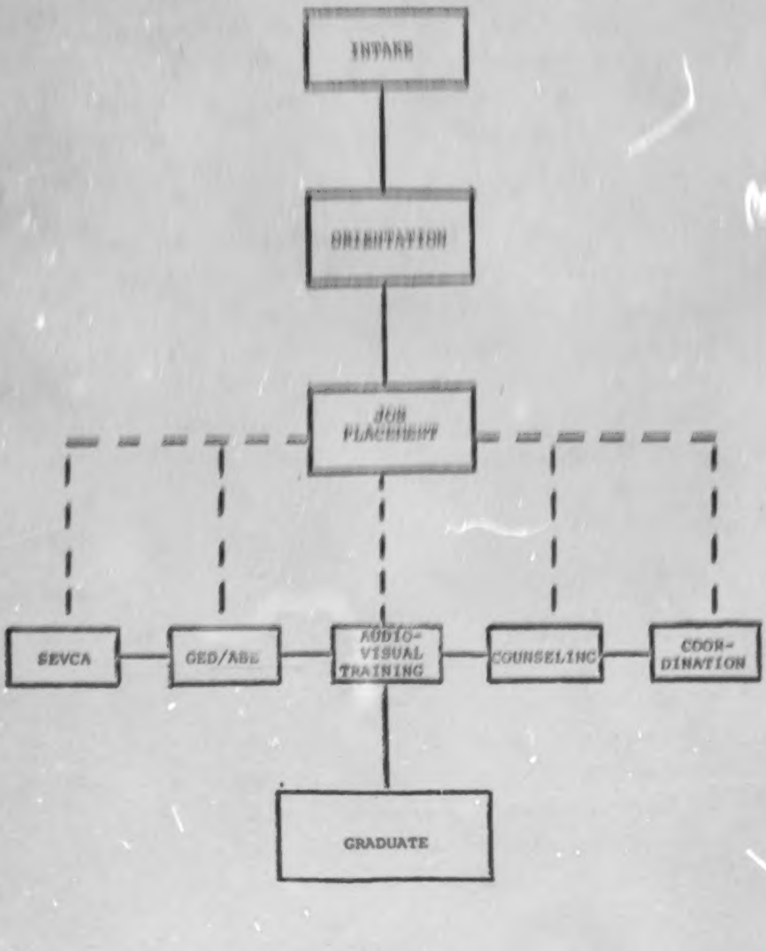
During the 1975-76 school year, the young adults enrolled in 70001 continued to be served through the Distributive Education Clubs of America(DECA) program of youth activities. At the close of the DECA National Career Development Conference on May 12, 1976, the newly-established 70001 Career Association(SEVCA) became the official professional organization for 70001 associates. The separation from DECA was the result of the Department of Labor grant to support the 70001 national expansion effort.

THE GOAL OF SEVCA

The prime goal of SEVCA is to encourage the young adults of 70001 toward achievement. SEVCA is dedicated to serving the unique and pressing needs of its associates and is an integral part of the total 70001 program of employment, training, education, personal motivation and development. All activities, programs and projects are designed to complement and reinforce competencies that are essential for success in the world of work and American society.

ANNEX V

FLOWCHART OF ASSOCIATES' PARTICIPATION IN 70001 PROGRAM


INTAKE
ORIENTATION
JOB PLACEMENT
SEVCA
GED/ABE
AUDIO-VISUAL TRAINING
COUNSELING
COOR-DINATION
GRADUATE

WHAT IT MEANS TO BE A PART OF THE BUSINESS ASSOCIATES OF 70001 LTD.

1. Provide business input, recommendations and formal approval of our staff training, instructional and youth activities program to insure we are preparing our enrollees properly to be employees. This approval will also be used to reinforce the need for 70001 in any community.

2. To assist in the structuring of acceptable performance level by 70001 enrollees for us to formally recognize and for the business community to accept as one basis for raises, promotions and acceptance into the company's management program.

3. To work closely with us in the design and implementation of the new and future 70001 programs so that they maintain the proper balance between real experience in the business world and vocationally oriented educational programming.

HOW DO YOU JOIN?

By providing job support within your company at the national and local levels. Specifically:

a. A letter of endorsement from top official in the company for our duplication and use as an entry at the local level.

b. Identification of a contact person at the national level of the company to coordinate your support with us and communicate with local outlets.

c. To provide a means of highlighting successful placements and activities of 70001 Ltd. through the internal publication of your firm.

ANNEX F

Business Associates of 70001 Ltd.

1. Allied Stores
2. American Retail Federation
3. Donald Horton. President, American Warehousemen's Association
4. Chase Manhattan Bank
5. Federated Department Stores
6. Garfinckel's
7. Genesco
8. Graphic Sales
9. General Motors
10. Kinney Shoes
11. S. H. Kress
12. J. B. Lippincott, Co.
13. May Department Stores
14. McGraw Hill
15. Menswear Retailers of America
16. Melville Corporation
17. Montgomery Ward
18. National Alliance of Businessmen
19. National Association of Chain Drug Stores
20. National Federation of Independent Business
21. National Retail Merchants Association
22. National Shoe Retailers
23. J. C. Penney
24. SCOA Industries
25. Sears, Roebuck and Company
26. Snelling and Snelling
27. Thom McAn
28. Walgreen Company

70001 Ltd.

CONGRESSIONAL ASSOCIATES

As we have seen, the input of our country's leaders is essential to reflect the true needs and philosophy of the nation. The Congressional Associates of 70001 were formed with three missions in mind:

1. to provide input and guidance to the National 70001 program.
2. to provide positive reinforcement to our young people for their accomplishments through individual letters, speaking, or participating in SEVCA activities, etc.
3. to provide a means of spreading the word about 70001 within their own communities as well as others who may be interested in our work with out-of-school young people.

The Congressional Associates of 70001 is currently chaired by Congressman Bill Frenzel (Minnesota).

ANNEX H

CONGRESSIONAL ASSOCIATES OF 70001 LTD.

Congressman William Archer - Texas 1
Senator Howard Baker - Tennessee 2
*Senator Joseph Biden - Delaware 3
Congressman James Broyhill - North Carolina 4
Congressman Clair Burgener - California 5
Congressman Caldwell Butler - Virginia 6
Congresswoman Shirley Chisholm - New York 7
Congressman Thad Cochran - Mississippi 8
Congressman Tom Evans - Delaware 9
Congressman Bill Frenzel - Minnesota, Chairman 10
Congressman Bill Goodling - Pennsylvania 11
Congressman Tom Harkin - Iowa 12
Congressman Frank Horton - New York 13
Congressman Carroll Hubbard - Kentucky 14
*Congressman Lloyd Meeds - Washington 15
Congressman Norman Mineta - California 16
Congressman Albert Quie - Minnesota 17
Congressman Thomas Railsback - Illinois 18
Senator William Roth - Delaware 19

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*70001 Board of Directors

ANNEX I

70001 Programs

1. City if Wilmington CETA -- Prices Corner (Delaware)
2. New Castle County CETA -- Prices Corner (Delaware)
3. State of Delaware (Vocational Education Funds)
   Prices Corner (Delaware)
4. Newark 70001 (Delaware)
5. Dover 70001 (Delaware)
6. York 70001 (Pennsylvania)
7. Silver Spring 70001 (Maryland)
8. Elizabeth 70001 (New Jersey)
9. Poughkeepsie 70001 (New York)
10. Norwalk 70001 (Connecticut)
11. Hartford 70001 (Connecticut)
12. Winston-Salem 70001 (North Carolina)
13. Miami 70001 (Florida)
14. The Virgin Islands 70001
15. Knoxville 70001 (Tennessee)
16. Memphis 70001 (Tennessee)
17. Lorain 70001 (Ohio)
18. Poplar Bluff 70001 (Missouri)
19. Cape Girardeau 70001 (Missouri)
20. St. Louis 70001 (Missouri)
21. Independence 70001 (Missouri)
22. St. Joseph 70001 (Missouri)
23. Maryville 70001 (Missouri)
24. Quad County 70001 (Minnesota)
25. Minneapolis 70001 (Minnesota)
26. Los Angeles 70001 (California)
27. Philadelphia 70001 (Pennsylvania)

Mr. **Hawkins.** Thank you very much for a very excellent statement. I am sorry but we must recess. We will be back shortly. Mr. Weiss, do you have any questions?

Mr. **Weiss.** I do not at this time.

Mr. **Hawkins.** We have an urgency of time. I would hate to have you remain for the purpose of questioning. Perhaps we could submit some questions to you rather than have you to remain during this recess, although we do anticipate returning for the final witness.

If it is agreeable to you, we will submit some questions because I have several I would like to raise.

Mr. **Semerad.** Thank you. We will be glad to help in any way.

Mr. **Hawkins.** Thank you.

The committee is in recess for 5 minutes.

[Whereupon, a brief recess was taken to vote.]

Mr. **Hawkins.** The committee will come to order.

The final witness of the day is Edith Phelps, executive director, Girls' Clubs of America, accompanied by Walter Smart, executive director, National Federation of Settlements.

Mr. Smart, I have had the pleasure of being with you twice in the same week, which is a great honor and pleasure for me, and I certainly want to welcome both you and Ms. Phelps before the committee. I regret the manner in which we have had to conduct this hearing today, but there seems to be no solution to the problems that we have. At least you have the honor of being the final witness before the markup of the bill and we look forward to your testimony.

STATEMENT OF EDITH B. PHELPS, EXECUTIVE DIRECTOR, GIRLS' CLUBS OF AMERICAN, ACCOMPANIED BY WALTER SMART, EXECUTIVE DIRECTOR, NATIONAL FEDERATION OF SETTLEMENTS

Ms. **Phelps.** Mr. Chairman, we have had the privilege of hearing some very interesting testimony and we respect your patience to wait this long.

Mr. Long and I speak in behalf of the Boys Clubs of America, Boy Scouts of America, Girl Schouts of America, National Council of YMCAs, National Federation of Settlements and Neighborhood Centers and the Red Cross Youth Service Programs.

We represent the National Collaboration for Youth, which is an affinity group of the National Assembly of Voluntary Health and Welfare Organizations. Its significance lies perhaps in the fact that it represents 30 million young people from the ages of 6 to 18.

Its second interest is the fact that it has recently organized in an intense effort to urge public policy focus on behalf of youth and youth concerns.

Essentially, Mr. Chairman, you particularly, whose leadership meant so much to the enactment of the juvenile justice legislation, know that it was at that time that we first come together to focus our efforts in behalf of youth and improvement in the juvenile justice system.

In the implementation of this legislation I think we have found, with evidence to reinforce it, that we have been able to change the lives of a great many of these 30 million youngsters toward better opportunities.

We have secondarily moved into the area of youth employment and not in a verbal way alone. We have had two seminars, two consultations about youth employment at which representatives of our organizations and the agencies of the Government have been present and had deliberations together.

We have individually and collectively amassed a good deal of experience in programs in job counseling, in career awareness, in apprenticeship type programs and in relationship with the business community, both in connection with public and private avenues and worked very hard with schools.

So, we really speak not just as a group interested in young people, but one that is experienced and I feel, as has been said so many times this morning, that we have programs that are effective and we wish to cooperate with the Government, we wish to cooperate with the other programs that are being developed so that there will not be a fragmented approach to the question of youth employment and the transition period from school to work, but there will be total comprehensive strategy that will affect tomorrow's young adults as well as today's children.

So we endorse and are enthusiastic that the bill in front of us represents the first tentative steps that are being made and give a high priority to finding solutions to the youth employment problems and that they recognize that youth employment is different from just plain unemployment and that it has special ramifications.

We would applaud that decision to say that there are categorical differences and that it has been long needed to point out to many who deal with the labor question itself that this is at once a part of it but it is also a very separate part.

We would also applaud your bringing several youth programs together under this new title of the Comprehensive Training and Education Act. We wish it had been more comprehensive.

We see some danger that title VIII could simply replace youth programs carried out under title I and II and youth jobs under titles II and VI and that the $1.5 billion that was represented then will not be augmented by another $1.5 billion which would be essential in order to do what is intended under the mandates of this bill as we see it.

If all prime sponsors had the sensitivity that you, Mr. Chairman, and the committee, does, we would be a little less apprehensive about this but we must mention this in our testimony.

As far as parts A and B are concerned, we applaud the necessity to achieve a balanced mix among program participants. We feel that it does positively affect the quality of program effectiveness and in our experience, again with 30 million kids, the program quality is improved when the programs are not too highly segregated and when those who are segregated feel that they most be labeled indeliby and sometimes forever.

This also seems in our experience to have a positive effect in the community and in the community approach to it.

I think it was mentioned earlier that we would prefer assessments of unemployment to be the assessments of youth unemployment rather than just general employment as being the relevant factor.

In part C we would support very strongly your using the criteria "near poor" and not exclusively the term "poverty criteria" in establishing youth employment and training programs.

Again, in our experience "near poor" face the same employment problems and are almost indistinguishable from those facing the poverty youth. This reaches more youth and in the long run probably reaches the heart of the community in an effort to address itself in a comprehensive way to the problems.

Our disappointment tempers our enthusiasm as many in this way, again for a greater collaboration, a greater comprehensive and total strategy. Less fragmentation—we have seen this morning that there are probably six or seven kinds of organizations that are trying to do similar programs. We would urge the greater comprehensiveness and opening up jobs in the private sector to youth in addressing the problems of transition from school to work.

As we would see, there needs to be more money for this comprehensive approach. We could all cite examples of where we have taken leadership in a community only to find it is a youth organization dealing with schools, in another community it may be the business community dealing with youth, in another community it may be the business community dealing with youth, in another community it may be some other bilateral arrangements.

The total nonfragmented strategy is our endorsement.

And as a representative of girls, I would point out for the record that the highest unemployment of teenagers is minority females and that it is well to have this considered at the Government level, the Federal level, in the private sector and in communities as they go about their comprehensive programs.

Walter, will you address the specific questions?

Mr. HAWKINS. Mr. Smart.

Mr. SMART. Thank you, Mr. Chairman.

I am Walter Smart, executive director of the National Federation of Settlements. It is a great honor for me to be appearing before you in this capacity. Our entire movement, I will be deeply indebted to you for the leadership you have been giving in these and other matters.

Since we are just making specific comments, I would like to offer our total statement for the record.

Mr. HAWKINS. Without objection, the statement will be entered in the record in its entirety.

Mr. SMART. In section 806, this permits the participation of public and private organizations to conduct young adult conservation projects. The National Collaboration of Youth welcomes this provision and its member organizations eagerly anticipate taking an active role in this program.

We are especially pleased that the proposed bill limits such agreements to agencies or organizations which have been in existence for at least 5 years and have proven their ability to serve young people.

In part B of the bill, which provides for community conservation and improvement projects, also permits private nonprofit youth serving agencies to take an active role and we look forward to assuming that responsibility as well.

In section 812, part B, we would hope there could be some additional language in that particular section.

It does mention one of the approved projects could be on low-income housing. It is not clear whether that effort would have to be restricted to public housing or could include privately owned housing owned by poor people, particularly the elderly on fixed incomes such as social security.

This is an example. When I was with the redevelopment authority and undertook rehabilitation in a large area, the legal authority to require bringing properties up to certain levels, the Government would provide a small grant to poor homeowners for that purpose. At one time it was $1,500 and then expanded to $3,000. Neither grant would achieve, of course, the objective of rehabilitation up to the standard of the code or the conservation projects.

However, by utilizing the youth in working with the poor in these set of circumstances, we were able to achieve fairly adequate rehabilitation, housing that really looked well with this kind of participation.

I would hope that this, too, could be possible under this bill. It has so many advantages for the local community. It can provide the job training we think is so essential. It provides youth with real work opportunities and achieves so much for the local communities that need the revitalization and conservation.

In addition, in our view repair or improvements of some of the private agencies in the communities serving that area, such as the club houses, neighborhood houses, or neighborhood recreational facilities should properly be considered to fall within the definition of community improvement.

We are pleased to note that section 816 calls for participation of the Prime Sponsors Planning Council in the development of the prime sponsors application for grant under part B of title VII. However, we believe that the precedent that has been established by the Secretary of Labor in developing regulations for the regular summer youth program should be followed in this program. Under the summer youth regulations the prime sponsor is required to establish a youth advisory council which must include representation of both the public and private youth serving agencies.

In section 818, the bill sets a 12-month limitation on the time any eligible youth can be employed in a part B program and since youth as young as 14 or as old as 24 are eligible, we would think somewhere in the intervening 10-year period there might be need for additional kinds of help.

Now, for disadvantaged youth, especially, limiting each individual to one turn at bat could be counterproductive.

Section 833 requires half of the funds available in part C for comprehensive improvement training be distributed among the prime sponsors on the basis of the two factor-formula using unemployment and incidents of low income.

The key point we want to make here is that the current recession and the average unemployment rate of 7.3, I think it is quite possible that under the eligibility requirements of this bill we could miss some of the real impacted areas of youth unemployment where the figures run as high as 35 and 40 percent. Thus we would hope that in the eligibility requirement the figures on youth unemployment would be considered and would carry a lot of weight.

Under section 835, the problem here is that some youth are available for a fairly extensive list of services which we think are excellent, yet there could be other youth involved which are somewhat over the minimum income requirements that could be involved in part of the program but can't be involved in the other part.

We think this would be particularly difficult with youth just above the income eligibility requirement. What we would recommend here, in areas that substantially meet the eligibility requirement, for example, neighborhoods where 70 percent of the families have income meeting that eligibility requirement, that there could be group eligibility within that community, otherwise it could be an administrative nightmare for any local administrator trying to administrate the program and it makes it difficult for a neighborhood based youth serving agency to make that kind of distinction between who is eligible for one part of the service and who is not.

Finally, the collaboration especially welcomes the opportunity provided under section 838 of the development and implementation of innovative and experimental approaches for dealing with the unemployment problems of youth. And we would hope that the committee dis retain this section and retain the proposed funding level that is currently represented in the bill.

Now, the National Youth Collaboration has not taken a position on the next statement I am going to make. So I will make that simply as a National Federation Settlement statement, which has taken a position. Our primary concern is that—I know I don't need to make this admonition to the Chairman, of course, but I would like to have it as part of the record—we are concerned about these various programs that start and stop and start and stop and start and stop and we know that even in times of economic recovery there are certain sections of our inner city neighborhoods where the problem of unemployment, particularly among disadvantaged people and youth, are chronic and continuous.

And it is our fervent hope, and we state it for the record, that we hope we can move towards a bill requiring full employment and that kind of response by our society and our Government to these continued problems.

Thank you.

Mr. Hawkins. Thank you, Mr. Smart.

Needless to say, we are very appreciative of your testimony. In terms of targeting principles that you have mentioned, both of you have in some way recommended a broader eligibility concept than most other witnesses.

Do I understand with respect to young adult conservation corps that you would recommend a very broad mix with perhaps no limitation of income, or would you confine that program to the near poor with, let's say $15,000 limitation or do you think it should be higher? We should have no limits on it at present. Do you think we should limit it to those with a family income below $15,000?

Ms. **Phelps**. I think neither one of us can speak for the collaboration. I certainly in speaking for myself, and I think several members of the collaboration, would feel that a broad mix but one that did perhaps put a top limit, whether it be $15,000 or not, would meet the needs of that community much more satisfactorily than one that gave jobs to those who literally didn't need them at all.

But if you have to—the basic requirement, however, in that community would be that youth employment was a tremendous issue. That presupposes the whole conduct.

Mr. **Hawkins**. I confined it primarily to that specific program because I would assume on that type of program you would have youth from a great variety of communities. It would not be on a geographic basis. The project area would probably be in a park or a national forest, et cetera, that might draw youth from a great number of communities, even possibly a great number of cities so that you would be selecting them on an individual basis.

I thought that you did make a comment with respect to the value of a project that had a good mix. I don't know whether or not you indicated that we would desire by design individuals from various income levels in the same program and I was confining it to the conservation corps concept.

Ms. **Phelps**. I see. I beg your pardon. I think we would still endorose a mix that is broader than the lowest level of population because, again in our experience, there is a stigmatization that comes if there is an isolation of those youngsters alone.

Mr. **Smart**. May I add specifically I think would be opposed to going above the $15,000 ceiling level. But I think within the $15,000 ceiling and below, the kind of mix that we are recommending is possible.

Mr. **Hawkins**. We are talking about then a maximum in the area of $15,000?

Mr. **Smart**. I would say so.

Mr. **Hawkins**. With respect to the other programs, I assume that is B and C parts of the administration's proposal, you would prefer a lower income level, I assume.

Ms. **Phelps**. Yes.

Mr. **Hawkins**. We are talking about disadvantaged and there you would simply suggest that it not be a poverty level cut-off but that it be broad enough to include those in the near poverty area as well?

Ms. **Phelps**. Right.

[The written statement of Edith Phelps follows:]

STATEMENT

by

National Collaboration for Youth

before

Subcommittee on Employment Opportunities

United States House of Representatives

April 28, 1977

on behalf of the following organizations

Boys' Clubs of America
Camp Fire Girls, Inc.
Girls Clubs of America, Inc.
Girl Scouts of the U. S. A.
National Council of YMCAs
National Federation of Settlements
& Neighborhood Centers
Red Cross Youth Service Programs

Presented by

Edith B. Phelps
Chair, National Collaboration
for Youth
National Executive Director,
Girls Clubs of America

Walter L. Smart
Executive Director
National Federation of
Settlements and
Neighborhood Centers

Statement of the National Collaboration for Youth
Before the Subcommittee on Employment Opportunities
Hearings on [illegible] 6138 Youth Employment and Training Act of 1977
and Related Legislation, April 28, 1977

Mr. Chairman and Committee Members my name is Edith B. Phelps. I am the National Executive Director of the Girls Clubs of America. I am also the Chair of the National Collaboration for Youth. My colleague, Walter Smart, Executive Director of the National Federation of Settlements and Neighborhood Centers is here with me to represent the National Collaboration.

We are grateful for this opportunity to testify on behalf of the National Collaboration for Youth on H.R. 6138. The National Collaboration for Youth is an affinity group of the National Assembly of Voluntary Health and Social Welfare Organizations. It is composed of twelve national voluntary youth serving organizations which joined together four years ago to focus their concern for the educational, health, family life and vocational needs of the 6 to 18 year olds of our nation. The member organizations include the Boys Clubs of America, the Boy Scouts of America, Camp Fire Girls, Future Homemakers of America, Girls Clubs of America, Girl Scouts of the U.S.A., the National Federation of Settlements and Neighborhood Centers, the National Jewish Welfare Board, Red Cross Youth Service Program, the National Board of YMCA's and the National Board of the YWCA. These 12 organizations serve a combined constituency of over 30 million young people. It is out of a concern for their problems and special needs that this statement is being made.

Over the past year the National Collaboration for Youth developed a set of principles which its member organizations believe should form the basis for a national policy for youth. First on that list of principles is a call for "a national commitment of the public and private voluntary sectors to a comprehensive policy of youth development." In our view, the youth employment bills which this committee is considering are welcome indications that at long last the first steps toward such a national commitment are being made. The Collaboration is pleased, too, that the new Administration has set such a high priority on finding solutions to the employment problems of our young people. The Collaboration believes that the decision, implicit in H.R. 6138, to deal with youth unemployment as separate from adult unemployment is a good one. Indeed, it has been clear for some time that the special nature of the problems of youth unemployment demand separate legislative attention. Bringing several youth programs together under a new title of the Comprehensive Employment and Training Act (CETA) makes a start at assuring that the problem will get the attention it requires. However, H.R. 6138 is not as comprehensive as it might be. Further, there is some danger that the new Title VIII could simply replace the youth programs currently being carried out under Titles I and III, or the youth jobs currently provided under Titles II and VI. We note that in fiscal year '76 fifty-seven percent of the Title I funds and forty-seven percent of Title III funds (other than the summer youth program) were spent on youth. In the same year it was reported that twenty-two percent of both the Title II and Title VI jobs were held by youth. This translates to more than a million youth enrolled in non-categorial CETA employment and training programs that year (exclusive of summer youth) at a cost of more than $1.5 billion. If the new youth employment programs envisioned in H.R. 6138 are to have the impact on the problem of youth employment that is hoped for, great care must be taken to make certain that the Title VIII funds really add new opportunities for youth to present CETA youth programs. If all of the prime sponsors showed the same degree of concern for the special needs of youth that is being shown by the federal government, this would not be a problem, but unfortunately the experience of our member organizations at the local level indicates that this is not always the case.

At this point I would like to point out to the committee that the Collaboration's member organizations have amassed a great deal of experience in planning and developing and operating youth employment programs over the years. Not only have Collaboration members been involved in CETA programs, but also they have participated in a broad variety of youth employment programs funded from other public funding sources as well as from private sources. The programs have encompassed all aspects of employment development including career exploration, school to work transition, job readiness, skill training, on-the job training, work experience, supportive services, job development, employment counseling and job placement.

H.R. 6138 recognizes what our member organizations have long felt to be a most important element in the success of any program dealing with the youth employment problem: that is, the necessity to achieve a balanced mix among program participants. Parts A and B of the proposed Title, the National Conservation Corps for young adults, and the Community Conservation and Improvement Program, both provide for enrollment open to all youth regardless of family income level, although the Conservation Corps would give preference to youth who live in areas of high unemployment. We believe this is the right way to assure quality programs. Although our member organizations are sensitive to the severe problems faced by disadvantaged youth -- and in fact a substantial share of our collective efforts are aimed at this group -- it has been our experience over the years that program effectiveness is improved when the program is not too highly segregated, or the participants too indelibly labelled. Not only do the participants themselves get a better experience, but frequently community support is increased, in turn, permitting enlargement and enrichment of the programs.

We also commend the Administration for using a low income instead of a poverty criteria for establishing eligibility for participation in the programs proposed to be developed under Part C of the H.R. 6138, the part of the bill which provides for local comprehensive youth employment and training programs. As proposed in the bill, any youth from families whose income does not exceed seventy percent of the lower living standard income level as established by the Bureau of Labor Statistics would be eligible for participation. This level is, of course, slightly higher than the official Office of Management and Budget poverty level -- which is the measure used in determining eligibility for the present summer youth program. We believe the "low income" level is the better eligibility standard because it permits enrollment of the near-poor as well as those who are officially living below the poverty threshold. Again, based on our experience with youth, the employment problems facing the near-poor youth are almost indistinguishable from those facing the poverty youth. By setting this somewhat broader net, the program will be able to reach many more youth who are in very dire need of employment assistance -- and without doing any damage to the very worthy principle of helping those who need help most. Indeed, the National Collaboration for Youth would urge that the guidelines for the current summer youth program be revised to conform to the same eligibility standard as proposed for Part C of the H.R. 6138.

One additional comment of a general nature is in order. Unfortunately our enthusiasm for the Administration bill is tempered by our disappointment that important elements of a comprehensive youth development policy are ommitted. Although the bill goes farther in addressing the needs of youth than is the case under CETA in its present form, it is still far from comprehensive. Some of the youth employment bills introduced last year and again in this session were more comprehensive, particularly in their attention to the need to open up jobs in the private sector to youth, and in addressing the difficult problem of the transition from school to work. The amendments to the Senate companion bill, S. 1242, proposed by Senators Humphrey and Javits would deal effectively with this problem. In this connection, it appears to us that the Administration may have done a disservice to those who have been developing and testing solutions to the transition problem over the past few years. From our reading of H.R. 6138, it almost looks as if the Administration, wanting to give some recognition to the problem, has simply tacked on paragraphs here and there directing that prime sponsors should so something about improving coordination of local employment and training programs with the local school system, but without providing any substantive measures which would make such coordination possible. As a result in our view, the coordinative requirements as they are presented in the bill may prove more of a barrier than an encouragement to the development of effective programs.

Specific Comments

In Part A of the bill, section 806 permits the Secretaries of Interior and Agriculture to enter into agreements with public or private non-profit agencies or organizations to conduct young adult conservation projects. The

National Collaboration for Youth welcomes this provision and its member organizations eagerly anticipate taking an active part in this program. We are especially pleased that the proposed bill limits such agreements to agencies or organizations which have been in existence for at least five years and have proved their ability to serve young people. We believe that not only will this help assure full utilization of the accumulated experience of the nation's leading youth serving organizations, but also will lead to more efficient, effective, and high quality programs.

Similarly Part B of the bill, providing for Community Conservation and Improvement projects, also permits the private non-profit youth serving agencies to take an active role in the conduct of such programs. We look forward to assuming that responsibility.

Section 812 of Part B leaves unclear exactly what is meant by a "community improvement" project. The definition states that rehabilitation or improvement of public facilities would be considered a suitable project. We believe that the definition should be so construed as to include neighborhood facilities such as those of the youth serving agencies, which are open and available for use by any and all youth. In our view repair or improvement of such facilities, clubhouses, neighborhood houses, or neighborhood recreational facilities should properly be considered to fall within the definition of "community improvement." We suggest that the language of the bill should clarify this point.

We are pleased to note that section 816 calls for the participation of the prime sponsor's planning council in the development of the prime sponsor's application for a grant under Part B of Title VIII. However, we believe that the precedent established by the Secretary of Labor in developing regulations for the regular summer youth program should be followed in this new program. Under the summer youth program regulations, the prime sponsor is required to establish a youth advisory council, which must include representation of both public and private youth serving agencies. We believe that the establishment of such a council is the best way to assure coordinated and effective youth programs. The summer youth council is to be an adjunct of the prime sponsor's regular planning council and must be consulted in the development of the summer youth plan. We feel that the problems of youth are sufficiently different to justify required use of a similar but separate youth advisory council, (or use of the summer council) in the development and implementation of Part B programs. Along these same lines, we suggest that such youth advisory councils should become a permanent feature of the prime sponsor's planning process -- a required component of his regular local or state manpower planning council.

Section 818 of the bill sets a 12 month limitation on the time any eligible youth can be employed in a Part B project. Since youth as young as fourteen or as old as 24 are eligible for participation it is quite possible that at some time in the intervening ten years an individual might usefully take advantage of more than one term of employment in a community improvement project. The need for support from this program could be intensified by changes in the general economic situation, particularly since youth unemployment appears to have such a strong relationship to total unemployment. For disadvantaged youth especially, limiting each individual to one turn at bat could be counter-productive.

Section 833 requires that half of the funds available for Part C -- the Comprehensive Employment and Training Programs -- be distributed among the prime sponsors on the basis of a two factor formula using unemployment and incidence of low income families. The purpose clearly is to target funds to areas of greatest need -- presumably to areas with the greatest concentrations of unemployed youth. The unemployment factor, however, is based on total unemployment and not youth unemployment. Since the ratio of youth unemployment to total unemployment differs among states, the formula will not result in as close targeting of the funds as would be the case if the factor were based on the relative numbers of unemployed youth rather than on the relative number of all unemployed persons.

Section 835 establishes the criteria for eligibility for participation in projects carried out under Part C of the bill. The program clearly is meant to be directed at those youth most in need of help -- those whose family income falls below seventy percent of the lower living standard level. However, apparently in an effort to permit local flexibility and encourage a diverse mix of enrollees, the bill provides that some (but not all) services can be provided to youth whose family income falls above this level. Although, sympathetic to the purpose, we believe that in this case the double standard set in that section may make the administration of the program unduly complicated. Certainly it will make reporting and federal monitoring a massive headache and very likely an unnecessarily costly procedure. We believe this part should either be reserved for one group or all services provided to all youth. It cannot serve all purposes at once.

Member organizations of the National Collaboration for Youth especially welcome the opportunity provided under section 838 for the development and implementation of innovative and experimental approaches for dealing with unemployment problems of youth. It is our hope that the prime sponsors will be receptive to the ideas of non-governmental agencies and will recognize the unique contribution which the private youth serving agencies can make in this area. However, we believe that the reservation of one-fourth of the funds for these projects for direct funding by the federal government is necessary to achieve the degree of innovation and experimentation that is desired. It is likely that the prime sponsors will regard this provision for direct funding as an abrogation of the principles of decentralization. It is not. National contracting with national and/or local organizations is not the same as "running the program from Washington." In our pluralistic society, government does not have a monopoly on ideas, experience, dedication, ability, energy or expertise. This is certainly so when it comes to meeting the needs of youth. Our member organizations represent a valuable national asset in serving youth. The provision for national, federal contracting, helps to assure that that asset will be used.

Finally, we hope the Committee will recognize that the Administration proposal represents only the beginning of the effort that is required if our national youth employment problem is to be solved. If the programs envisaged under the Administration's bill were to last for only the 18 months provided under the bill, that would be a disservice to the cause of youth. There have been "temporary" solutions before. This time we need to make certain that our commitment is big enough -- and lasts long enough to do the job. Thank you.

Mr. Hawkins. Again, may I thank both of you for your very excellent testimony. We apologize for the lateness, but you have certainly be most helpful to the committee and we certainly appreciate it.

Ms. Phelps. Thank you for the privilege of being here.

Mr. Hawkins. That concludes the hearings on youth employment. It is the intent of the committee to mark up a bill and recommend passage of a bill out of the subcommittee not later than Monday next, and hopefully to have a bill before the full committee next week.

The reason for that time schedule is pretty obvious. In order to reach the budget target we must act on a youth bill before May 15th.

Obviously, the bill is not going to be an ideal bill. I don't see how it can be, but we hope to move in the direction of making it a comprehensive bill and improve on the bill as it was introduced just 2 or 3 weeks ago.

To improve that bill will apply primarily to the next fiscal year. It is the intent of the committee to conduct extensive hearings on a more comprehensive bill, so this is in the nature of a temporary stop-gap bill, so to speak. We hope to make improvements in it and to obviously involve as many groups as possible in drafting as rapidly as possible what I would refer to as a much better bill than the one which we now have before the subcommittee.

The hearings on youth employment are concluded until sometime after May 15.

[Whereupon, at 1 p.m., the committee concluded, subject to the call of the chair.]

[Material submitted for inclusion in the record follows:]

NATIONAL LEAGUE OF CITIES

UNITED STATES CONFERENCE OF MAYORS

STATEMENT

Submitted by

THE NATIONAL LEAGUE OF CITIES
and
THE U.S. CONFERENCE OF MAYORS

on

Youth Employment Proposals

to

Employment Opportunities Subcommittee
Education and Labor Committee

April 27, 1977

1620 Eye Street, N.W., Washington D.C. 20006 / 202-293-7300

The National League of Cities and the U.S. Conference of Mayors appreciate the opportunity to present our views on the various youth proposals pending before this Subcommittee.

This is a particularly appropriate time -- given the devastating effect of the economic slump on our young people -- to discuss a new youth Title to the Comprehensive Employment and Training Act (CETA).

Certainly, everyone in this room is well aware of the alarming rates of unemployment for workers under 25 years of age, particularly among those who are black and living in urban areas. The high rate of unemployment among youth is one of the most visible and serious barometers of the nation's economic problems. Inner-city youth are trapped in a long-term trend of increasing unemployment which has proved unyielding despite wars, prosperity, recession, or recovery. Most city officials estimate urban black unemployment in their cities to be well over 50 percent -- and this does not even fully account for the large number of youth who become discouraged, drop out and go uncounted as unemployment statistics. The magnitude and duration of these figures alone suggest that their causes run far deeper than just a shortage of job opportunities for young people. The youth problem is a complex one because it involves a balance between an emphasis on providing jobs and job training and providing a broad range of other opportunities and options. If we are to address youth unemployment fully, we must be aware of this interaction between vocational and social opportunity.

The League of Cities and the Conference of Mayors represent the elected officials who daily confront the consequences of youth unemployment -- high crime, vandalism, alcoholism, drug abuse and alarmingly high school drop-out rates. We have long advocated and promoted youth programs as a comprehensive and integrated part of community services. It is this kind of total approach which we hope to see incorporated in new youth legislation.

CETA is the appropriate vehicle to launch this major initiative. CETA has, since its inception, increasingly served as the mechanism for building a youth employment system at the local level. Under CETA, the federal role in employment programs was reduced, and local governments were given increased flexibility to shape programs to locally determined priorities. State and local officials were able to experiment with ideas that had never been tried before. In a growing number of cities, CETA youth programs are not simply an employment effort, but an endeavor to link the school with the work place; the private sector and labor with public resources; supportive services with skill training and CETA dollars with other federal and local funds.

We are pleased that President Carter and the Congressional leadership agree that creation of a new CETA youth employment program is a major step toward addressing the needs of our nation's young people. The League of Cities and the Conference of Mayors fully support the philosophical and conceptual basis for that effort. However, we also believe that our desire to hasten the initiation of a major youth employment program should not override our ---

sideration of issues which might seriously impede, if not undermine, that goal. The Administration's youth bill is a positive beginning, but it has some serious defects which we believe warrant your attention.

First, the level of funding proposed by the President: The $1.5 billion Administration youth package creates 240,000 new jobs. By most estimates, there is a hard core level of, at least, 600,000 unemployed youth, most of whom are concentrated in urban areas. The $1.5 billion in new federal dollars will only begin to ameliorate the problem of inner-city youth unemployment. While we recognize that federal dollars alone are not the answer, we contend that a higher level of funding will provide for greater impetus for dealing with massive youth unemployment. We believe that $2.5 billion should be authorized and appropriated for youth employment programs under this bill.

Second, the allocation methodology. We feel that the provisions of the President's bill do not sufficiently target dollars to the most disadvantaged youth of our country -- inner-city minority teenagers.

- Part A, the National Young Adult Conservation Corps, while attempting to locate work sites near participants' homes, allocates funds to a federally administered, rurally focused, employment program.
- The discretionary allocation formula under Part B -- the Youth Community Conservation

and Improvement Project portion of the bill -- is unclear. Language in Sec. 813 says only that the Secretary shall "take into consideration" the severity of unemployment among eligible youths. We would like to avoid the fiasco attendant to the recent public works allocation with some major cities not receiving their equitable share of the monies, and acute urban needs going unmet. Since the allocation of funds is determined by individual projects, cities are left competing for a limited number of dollars. We suggest, as an alternative, directed targeted allocations to prime sponsors with strong legislatively designed reallocation procedures if no acceptable proposals are submitted.

- Additionally, the approval process under Part B is administratively inefficient and "puts the cart before the horse." It forces prime sponsors to make local decisions between applications before the prime sponsor has any reasonable estimate of available dollars. Prime sponsors should be applying for projects from a known dollar pool. Finally, giving the Secretary of Labor final approval over all local project determinations clearly contravenes the decentralized intent of CETA.

- Part C -- the Comprehensive Youth Employment and Training Programs -- also relies on a project approach for distribution of 50 percent of the $900 million available under this Part. We are strongly opposed to setting aside 50 percent of Part C dollars for distribution on a project rather than a straight formula basis. We udnerstand that in allocating the $450 million under Part C, the Department of Labor is developing a point system for weighing local need; however, we also understand that responsibility for insuring equitable distribution of dollars will be left to the Regional Offices of the Department of Labor. There is no evidence to indicate that Regional Offices will more effectively identify and allocate dollars to areas of high need than the national office could do through a straight distribution formula. Furthermore, past experience with Regional Offices indicates disparate and inequitable treatment of prime sponsors depending on the region of the country in which a jurisdiction is located. While we support the set-aside of some program dollars for the development of innovative demonstration programs, we recommend

> that at least 80 percent of the available $900 million of Part C be distributed on a formula basis targeted to areas of high youth unemployment. The remaining 20 percent would be discretionary monies for use by the Secretary of Labor. Additionally, we would suggest the Congress consider the feasibility of taking youth -- not adult -- unemployment statistics into account when determining allocations.

Third, we are concerned that the program design in the Administration's proposal places too little emphasis on the diversity of urban youth needs and local resources. As currently drafted, the bill is primarily a program for out-of-school youth, with an added emphasis on short-term (one year) projects. While we recognize that the unemployed out-of-school youth is a particularly high employment risk, the League of Cities and the Conference of Mayors also believe that a strengthened school/work transition is the only way to alleviate the growing problem of a youth "drop-out" population. If the new youth initiative is to be truly comprehensive, then local prime sponsors must be given the opportunity to serve all portions of the youth population. We would also urge that any language encouraging linkages between CETA and the local education authorities permit prime sponsors the flexibility to develop both educational alternatives for disaffected youth and improve traditional in-school programs. We hope that this Committee would look to strengthening the occupational counseling, career guidance, and labor market information available to our youth.

Nowhere in the proposal is there a clear attempt to improve access to the private sector. Private sector resources must supplement the public sector if cities are going to alleviate youth unemployment. There is strong argument for this cooperation. Statistics show that nine out of ten jobs in our economy are still in the private sector. If unemployed youth are to obtain non-subsidized full-time employment as adults, they should have some exposure to the skill required for employment in the private sector. Mayors are in a key position to utilize new federal youth dollars in collaboration with the private sector and the new Administration to expand on the national youth employment effort. Congress should expand on the proposed language to provide a variety of mechanisms which encourage the private sector to open labor market opportunities to disadvantaged minority youth. For example, tax credits on salary subsidies should be provided to those private sector employers who provide training and employment opportunities to young people.

Fourth, we object to the general provisions detailed in Part D that apply prevailing Davis-Bacon wage rates to Part B and Part C projects over $5,000. Adult unemployment is still a major economic concern and we sincerely doubt this Administration and Congress would want to create a situation which gave rise to the old adage "feed the child, starve the father." Such regulation would limit both cities' capacity to serve the youth population fully and the variety of jobs youth might perform.

Finally, we hope that Congress will establish a timetable under this bill which will recognize the constraints to immediate implementation. Prime sponsors are already working round-the-clock developing new CETA Title II and VI public service employment projects and the 1977 Summer program. The balance between our desire for an immediate youth stimulus and a quality program must be struck. A preferable funding pattern would be the release of planning dollars during the remainder of this fiscal year, with the bulk of the monies available in the beginning of Fiscal Year 1978.

We believe that comments on H.R. 6044 are also appropriate at this time. In our estimation, H.R. 6044 properly focuses on:

-- utilization of the existing CETA prime sponsorship mechanism;

-- encouraging youth to return and complete their schooling;

-- involvement of the private sector (in this regard, however, we suggest that H.R. 1731 is even more specific on a role for the private sector);

-- linking planning for training programs funded in Title I to those in Title VII without delaying implementation of the acceptable plan, should one or the other be found wanting;

-- including youth who have completed their in-school education;

-- providing a broad scope for utilization of eligible applicants by prime sponsors;

-- providing flexibility to offer full time institutional training in lieu of employment;

-- a minimum of paperwork!

We do however, have some reservations about the funding mechanism proposed in this measure. While we consider an entitlement approach to funding an interesting concept, that has worked in such important city programs as revenue sharing, we do not quite understand how it will work in a youth employment program. It is difficult to percieve how we can adequately plan programs if there is uncertainty of funding. Further, we do question language which would permit the Secretary of Labor -- at his discretion -- to fund whatever portion of the total costs he or she deems appropriate.

Youth employment programs must create careers -- not just jobs -- and they must be coordinated with other youth-oriented programs in a total strategy aimed at extending the capabilities of our young people. The locally elected officials of this country are anxious to work with Congress and the Carter Administration in developing such a strategy. It is our belief that CETA can, and does, encourage better planning, comprehensiveness, and effectiveness in the delivery of youth employment programs.

Statement by Sam Brown on Youth Employment Legislation
Subcommittee on Employment, Poverty and Migratory Labor
Senate Committee on Human Resources April 20, 1977

Mahatma Gandhi had a two-part program for India in its drive toward independence. First, he wanted to mobilize masses of people to demonstrate on vital issues. Second, he wanted to mobilize individual citizens for volunteer service work in such areas as well-digging and sanitation. He had mixed success. While he could recruit hundreds of thousands of people for a march to the sea, he could only gather a handful for long-term volunteer work in the villages.

The situation we face as a nation today is in some ways similar to Gandhi's dilemma. We have been through a war during which citizens massed in large numbers to make their views known. Eventually, and with additional initiatives by citizens and legislators, the public clamor was heard. Now, in a time of peace, we are faced with domestic problems which are not yielding to our traditional ways of doing things. Poor children need help with reading and writing, mentally retarded and mentally ill persons and nursing home residents need individual attention. In addition to these human needs, we are years behind in meeting environmental needs. Ironically, at the same time we have nearly 3 1/2 million young people out of work and looking for jobs; many of whom would welcome an opportunity to serve the young, the old and the handicapped, or work in our national parks and forests, and our cities and neighborhoods.

It is within this dual context--unmet needs that must be addresse and the lack of jobs for a large number of young people--that I believ we should view the various legislative initiatives dealing with youth employment. The reason for addressing both the demand and supply sides of the equation is that it will enable us to better meet the needs of society and those of young people.

I wholeheartedly endorse the President's Youth Employment Plan. It provides for a variety of public service opportunities for young people. They may serve at home or away from home. The emphasis is necessarily on poor and unemployed young people. The magnitude of the effort is suitable for what can be efficiently managed for the next year and a half. I am especially pleased to note that the statements of purpose of the legislation include opportunities for service together with work experience.

But, I want to go beyond this endorsement to discuss the concept of putting unemployed youth to work.
Under Section 838 of S. 1242, the opportunity is presented for ACTION to continue to develop service-oriented program models. I am confident that together with Secretary Marshall, we can design sound program models that will provide long-term benefits to those who serve and to those who are served.

Projects utilizing the efforts of young people must not be considered "make-work" for the poverty stricken or underprivileged who are unemployed. The work which is outlined for young people should derive from perceived community needs, not the hypothesized capabilities of the participants. Those employer-sponsors directly involved with young people should select them, rather than have them assigned. Sensing that the well defined task and the chosen participant are a good match should foster a positive attitude on the part of both the employer and employee. It should result in more effective work and a more successful program.

All young people so employed can take pride in the fact that they have been chosen because they are considered to be suitable candidates for the task. There will be no stigma attached to serving.

It is evident that there is a tremendous amount of work to be done in this country. Young people with different kinds and degrees of talent and skill are needed in a multiplicity of services.

Youth service is a concept familiar to many distinguished public servants of the past decade. When Senator Hubert Humphrey first put forward the Peace Corps idea in 1960, he derived it in part from a previous proposal for national youth service. Similarly, VISTA was originally referred to as the National Service Corps.

Young people at the threshold of maturity should be involved in substantive activity through which they can identify with their society, by which they can gain a sense of participation and achievement in advancing permanent values, and through which they can emerge with a conviction of responsibility about their individual contributions to the improvement of their society. I see three goals for the youth initiatives that complement the basic purpose of providing employment: 1) to accomplish needed human, social and environmental services not currently being met, 2) to enable young people to gain experience in addition to offering cross-cultural and non-classroom learning experiences, and 3) to promote a sense of self worth and civic pride. In addition to improving the economic picture in terms of increased employment, the health, education and social services of our country can be significant benefactors.

In 1973, ACTION tested one model of youth employment thru service concept in Washington State. It was called Program for Local Service (PLS) and was, by all accounts, exceptionally successful. By 1975, Washington State had assumed financial responsibility for 95% of program costs. The Washington legislature is currently considering legislation that would provide continuing authority for PLS.

Simplicity was the major attribute of PLS. It was entirely local in scope, without bureaucratic "experts" determining where and how a volunteer would work. As they were in PLS, these decisions in the new national youth program can be left to applicants and local sponsoring organizations. Through the joint efforts of applicants and sponsors, the determination of jobs and the final certification of placement could be a procedural replica of the PLS placement mechanism.

The Washington program did not place any restrictions on education or experience upon any applicant. Overall, the PLS volunteers covered the socio-economic spectrum. However, the income was well below average and the unemployment rate was at least 70%. The important point was that no one was stigmatized in any category. For instance, a 22 year-old mentally retarded woman worked at a senior citizens center organizing events. When her term was complete the residents successfully petitioned the city council for funds to hire her permanently. As a matter of fact, sponsoring agencies hired 40% of the volunteers at the end of their service, and 77% of them reported that the volunteers "equalled or surpassed regular employees in motivation, responsibility and skills."

The PLS participants' work was more or less evenly distributed. Educational services utilized 24% of the participants, health services claimed 20%, and a variety of social services engaged 45%. Also, PLS served a wide range of clients, including children and youth, low-income and handicapped people, the elderly, criminal offenders and women. The value of these services, determined by supervisors estimating the cost of replicating the volunteer's service, averaged just over $7,000 for each year contributed. This compares with a $3900 per volunteer year cost for volunteer allowances, stipends medical coverage, recruitment, training and administration. It is difficult to place a dollar sign on the value to the participant. But the personal rewards must have been great, as many participants postponed their college educations to join. Many received jobs after their terms expired.

Our experience in Seattle offer a good example of the following: that there is valuable work to be done by youth; that localities can be quite capable of designing and implementing successful youth programs; and that the young people who will be employed can have a much improved opportunity after the program to get good job, further their education, and otherwise become productive citizens. As with PLS, the new programs of youth employment thru voluntary service could capture the imagination and idealism of today's youth by inviting them to address major national needs.

Careful attention should also be paid to the educational component of the new programs. Those participants who do not have a high school diploma should be encouraged to take the GED exam and those who serve should be encouraged to seek academic recognition for the knowledge and skills they've acquired. This educational dimension will be facilitated by the provisions for educational credit in the President's Bill.

ACTION has exceptional qualifications for working alongside the other departments in helping the Department of Labor to develop the program, especially in developing innovative programs of the type authorized by Part C of this bill. VISTA and other domestic programs are youth-oriented, service-oriented, and have positive reputations. In addition to full-time programs such as Peace Corps, VISTA, University Year for ACTION and half-time programs such as Foster Grandparents and Senior Companions, ACTION has the statutory authority to provide technical assistance and support to youth programs in the private sector. Also, it can legitimately certify the work performed by participants. ACTION is not rigidly institutionalized and is flexible enough to contribute to a youth employment program alongside its existing volunteer programs.

An essential component of these youth initiatives is the motivation of the participants to serve their communities. The common theme of social purpose, relationship and respondibility is integrated in the concept, along with the thoughtful and free allocation of one of the Nation's most abundant and yet under-utilized resources-the energy, imagination and commitment of our young people.

We can no longer accept a volunteer program to fight poverty, a jobs program to combat unemployment and a health program to deal with medical problems each separate from the other. We must begin to recognize the inherent inter-relationship of these programs and stop compartmentalizing them for some imagined bureaucratic ease or preservation of "territorial rights." Getting a job is a major motivation for many persons entering volunteer service programs such as PLS and VISTA. I imagine that the opportunity to provide a public service is in the minds of many people as they enter Public Service Employment Programs.

I believe the President's proposal is the proper next step in dealing with employment and publice service for young people. The important thing now is to design and conduct these programs as part of a long-range effort to address unmet national needs and to offer opportunities for service, career exploration, personal growth and civic pride to the nation's young people.

American Association of Community and Junior Colleges

April 28, 1977

I hope that the attached statement of our views on youth employment legislation will be helpful to you in your deliberations. If you have any questions please call me.

Sincerely,

John E Tirrell

John E. Tirrell
Vice President for Governmental Affairs

American Association of Community and Junior Colleges

April 28, 1977

Views of the American Association of Community and Junior Colleges on Youth Employment legislation

As an association representing the nation's 1200 two-year colleges, we would like to comment on proposals for a national youth employment program, using the Administration's bill, H.R. 6138, S. 1242 as a framework for these comments.

Two-year community and junior colleges and technical institutes are naturally and strongly interested in these proposals, for a number of reasons. As post-secondary educational institutions they serve over one-third of all undergraduates in the country, and over one-half of all first-time students (entering freshmen). As institutions which are heavily involved in technical and occupational education, including programs under both the Vocational Education Act and the Comprehensive Employment and Training Act, our colleges serve great numbers of disadvantaged students, offering remedial programs and job training as well as programs leading to the baccalaureate degree. Older youths who are eligible under youth employment proposals would appropriately receive educational services from these colleges.

With this as a background, we would like to offer some general principles we believe that an effective federal program for youth employment should necessarily include.

First, a program which focuses too narrowly on short-term jobs alone will serve the function of keeping youth off the streets for their period of eligibility, but will not be likely to impact their lives in the longer range. It is generally conceded that the problem of youth employment is in large part technological in the sense that the modern economy is short on entry-level, relatively unskilled jobs -- historically where youth used to begin in the world of work. Beyond that, however, it is clear that the youth unemployment problem affects youth unevenly, and that the greatest impact is on disadvantaged youths with the lowest level of educational attainment. For this reason it is imperative that a program to attack the problem include education and training at its core in order to give the participants the basic language and computational competencies, job habits and occupational skills which will improve their chances for qualifying for work on their own. Education, training, counseling, and job orientation should be a vital part of almost every youth employment activity funded by the legislation.

Second, many of the eligible youths will be beyond the normal high school age, even though they may not have completed high school. For these participants, postsecondary institutions are the most appropriate site of educational placement. The language of the legislation should be mindful of this need.

Third, we believe that a limit of twelve months of program participation for any one individual is too limiting, too much geared to keeping them off the streets for that period of time. In twelve months the impact of program involvement would be minimal. Neither basic job skills nor the related personal and educational preparation can be attained in such a short period of time.

Fourth, the greatest youth employment is among low-income youths with low educational attainment and the program should be aimed at those most in need of assistance.

Specific Comments on H.R. 6138, S. 1242

The legislation is funded by "such sums as may be necessary." This gives no indication of the proposed magnitude of the program, and it also gives no indication of proposed priorities among the three parts of the bill. Specific dollar authorizations would be preferable for both these reasons.

Part A. National Young Adult Conservation Corps

In Sec. 803 (c) relating to eligibility for membership in the Corps, preference should be given not only to those residing in high unemployment areas but to persons within those areas who are low-income.

In Sec. 803 (e), we have objected in general to a twelve-month participation limit. The limit should be at least 18 months, especially if, as we suggest below, the possibility of an educational component is added.

Sec. 804 (b) (4). In addition to providing work experience in appropriate skill areas, Corps projects should be authorized to include educational activities including basic language and computational skills, high school equivalency, and other similar activities which will enrich their time with the Corps and better prepare them for jobs upon completion of Corps service. Such arrangements would be made with local education agencies, postsecondary institutions, and other organizations.

Sec. 805 (b) relates to conditions of employment with the Corps. We believe that it might be helpful to include a paragraph similar to Sec. 815 (b) (4) relating to supervisory personnel with appropriate skills.

Part B. Youth Community Conservation and Improvement Projects

Sec. 811. We believe that the introductory language from the Humphrey-Javits bill (S. 170) is more complete and would suggest its adoption in this legislation. Its references to low-income youths, useful and productive work on projects, basic education and development of basic work skills, development of a sense of responsibility, etc., in addition to work experience, make its goals significantly more comprehensive.

Sec. 812 (3). The definition of eligible youth should include a preference for persons who are low-income as well as unemployed.

Sec. 815, Sec. 817. Since these sections serve as lists of Part B eligible activities, we would suggest that 815 (b) (2) and 817 (b) (2) clearly allow: attendance at postsecondary as well as secondary schools, return to school for those who have dropped out (for older youths this would be postsecondary school), education in basic language and computational skills where necessary, including remedial work, part-time as well as full-time work, vocational exploration, work orientation and other types of guidance and counseling.

Sec. 815 (b) (8). Notations of arrangements with "school systems" should read "school systems and postsecondary institutions."

Sec. 818. Here also the 12 month limitation on individual participation should be removed or at least increased to 18 months.

Part C. Comprehensive Youth Employment and Training Programs

Sec. 831. The language on lines 18-20 minimizes the importance of education in Part C programs. The clause should read "including employment, community service opportunities, and educational skill training, and supportive services to enable participants to secure suitable and appropriate unsubsidized employment..."

Sec. 832. (a) and (b) should both specifically mention part-time and full-time work and allow for combined education/work activities.

In addition, the same two subsections should mention the possibility of employment in the private sector. As written they seem to be confined to public sector employment, depriving youth of possible training and employment experience where much of their subsequent employment opportunity may lie.

Sec. 832 (c). To the training and services authorization should be added an encouragement wherever possible to include training and services with all projects. This is particularly desirable if one looks ahead in the legislation to Sec. 835 (c) which states that "to the maximum extent feasible, programs under this part shall be targeted on participants who are out of school, out of work, and experiencing severe handicaps in obtaining employment, including but not limited to those who lack credentials, such as a high school diploma, and those who require substantial basic and remedial skill development." Clearly, if such persons are to be the prime targets of the legislations, training and educational services should be of the greatest importance.

Sec. 832 (c) (6). Literary and English as a second language services presumably include basic skills and remedial work, but a specific mention would clarify the question.

In Part B there is specific mention of the role of the prime sponsor manpower planning council in program planning. Part C should also include such a section as 816 (c) (1) and (2).

Part C - Federal Administration

Section 838 should contain appropriate mention of postsecondary schools as well as secondary schools, remembering that about half of the eligible youths will be postsecondary age. Thus at line 6-7 of page 22, the language should read "cooperative arrangements with educational agencies and postsecondary institutions to provide special programs and services for eligible participants enrolled in secondary schools and postsecondary institutions including job experience, counseling and guidance for students in secondary and postsecondary schools..."

Then in the same subsection there is reference to "occupational, educational and training information through statewide career information systems". We believe that this should be a separate authorization which would operate through grants to the states for setting up such statewide systems which would be tied to a national occupational information and career guidance service such as that envisioned in Sec. 757 of S. 170, the Humphrey-Javits bill. Without a separate focus and national coordination and a national information base, it is doubtful that statewide systems would become effective.

Sec. 839. The section relating to academic credit should include reference to postsecondary education institutions. This is also true in Sec. 852 referring to education credit, although in this section there is no reference to "secondary" so that a reference to "postsecondary" is somewhat less necessary.

STATE OF MINNESOTA
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April 27, 1977

Congressman Augustus F. Hawkins Chairman Subcommittee on Employment, Opportunities, Committee on Education and Labor	Senator Gaylord Nelson Chairman Subcommittee on Employment, Poverty and Migratory Labor Committee on Human Resources

Dear Gentlemen:

We are submitting this testimony on behalf of the Governor and Governor's Council on Employment and Training. We appreciate the opportunity to express our views on this very important legislation as well as on the larger issue of youth employment.

Governor Perpich as well as our Council have given priority attention to the problems of youth employment. Minnesota is to our knowledge the only state devoting significant state resources to funding of a summer youth employment program. Governor Perpich has requested that this program be increased this biennum from $4 million to $9 million.

We in Minnesota recognize the need to address the issue of youth employment and we view the bill before the Congress as a significant commitment to addressing the problem.

I again thank you for the opportunity to express our views. I hope our comments will be helpful in your task.

Sincerely,

Emil W Marotzke

Emil W. Marotzke
Executive Director

EWM/pc

cc: Minnesota Congressional Delegation

TESTIMONY

CONCERNING YOUTH EMPLOYMENT AND TRAINING ACT OF 1977

On January 25, 1977, in his budget address to a joint session of Minnesota Legislators, Governor Perpich stated "it is tragic to be young and unemployed -- especially in a society that preaches faith, opportunity and success through work. . . we . . . need to put our resources together to provide jobs for young people".

To back up this assertion of state policy, the Governor has requested that this testimony be submitted to you in his behalf in support of the proposed Youth Employment and Training Act of 1977. He would have liked to have presented it himself but was unable to because of the demands of our current legislative session. This statement will address this legislation through the following points:

--Youth population in Minnesota

--Current youth employment programs

--Activities of the Governor's Council
on Employment and Training (GCET).

--Specific comments on the proposed
legislation.

Youth Population in Minnesota

In addressing the youth employment problem, it is first necessary to examine the population of young people. We expect that Minnesota's youth population is fairly typical of that of the rest of the United States. The term "babyboom" as a description of the youth population is important to consider. This babyboom generation was born in increasingly large numbers every year from the end of World War II until 1959, when the births in Minnesota peaked at 88,000 babies. This generation is so large that it's population bulge has an impact on society at every stage, and it will have a new and different impact as the bulge moves through the population's age structure. We saw this when elementary schools sprouted in most districts in response to a growing number of pupils. Even so, children often shared desks and books and attended schools in shifts.

Now that these young people are in their teens and young adult years, they are crowded into high school classrooms and corridors and are pressing at the doors of universities and trade schools in unprecedented numbers.

In the development of any youth employment legislation, it is vital that we recognize this population structure; that we are extremely aware of the affects that these numbers of people are going to have. Specifically, we need to examine what changes lie ahead as this generation, which makes a bulge in the traditional population pyramid, moves full force into the labor market.

During the past decade, we have experienced fairly rapid growth in the fifteen (15) to twenty four (24) year old age group -- as we have seen this babyboom generation move through their life cycle, from childhood, reaching young adulthood. Population projections indicate that in the next decade, the size of this group will peak and then decline. The fifteen (15) to nineteen (19) year old age group will peak this year. This is what makes the employment situation of the fifteen (15) to nineteen (19) year olds extremely critical. We will then see this group, twenty (20) to twenty four (24) year olds, peak five years later, in 1982. If we examine this group together as an age group (fifteen to twenty four year olds), the peak in their population comes in 1979. We also see that the years just preceding and the years immediately following the peak are very close together in the magnitude of this high point. This is vital to keep in mind as far as the age groups in this legislation are concerned; that we need to examine where are the major age groups in drafting this legislation, and move accordingly.

These figures illustrate the fact that the problem of youth employment is one of immediate importance. It is one that calls for swift action and innovative solutions. We are encouraged by the actions of the Congress in moving swiftly on this very important piece of youth employment legislation.

Current Youth Employment Programs

In Minnesota we have recognized this need for employment opportunities for young people. In order to mobilize our State's resources, the Governor has requested, and the Legislature is in the process of appropriating, over nine million dollars ($9,000,000) for the next biennium to expand two (2) youth employment programs; 1) the Governor's Summer Youth Employment Program and, 2) to provide match monies for the Federal Youth Conservation Corps.

During the past two years, the Governor's Summer Youth Employment Program has provided job opportunities throughout the State for more than nine thousand (9,000) Minnesota young people under the age of twenty two (22). Government and non-profit agencies employed these young people in projects that would not have been possible without reimbursement for part of the wages that they were paid. This is a State program which dovetails the Comprehensive Employment and Training Act (CETA) Title III Summer Youth Employment Program, which during the past year, at a cost of 6.5 million dollars, served over eleven thousand (11,000) young people.

One of the comments that was received as a reaction to this Coordinated Summer Youth Program was from an educator in White Bear Lake. He had this to say, "we have had over 2 years of experience with this Youth Program in our district (White Bear Lake). It would appear that this particular program has done more to help younsters than any program I have experienced in the 20 years I have participated in Vocational Education. Students, prior to being on the program, are generally unemployed and have difficulty finding employment of any kind. I think through this program we have been able to establish good working habits and the money that is provided them has been a motivational factor in these people continuing successful employment somewhere else. We always notice an improvement in appearance after youngsters ceive their first or second check."

The Governor's Summer Youth Employment Program and the CETA Title III Summer Youth Employment Program will provide summer jobs for approximately 50,000 Minnesota young people over the next 2 summers. In addition, the Governor recommended an increase in the State matching funding for the Youth Conservation Corps program which provided work and educational experience for young people between the ages of 15-18 in 4 Minnesota conservation camps. State matching funds are to be increased from 150,000 to 270,000 over the next 2 years.

This Youth Conservation Corp (YCC) will do much to preserve, protect and restore Minnesota's environment and at the same time will allow 400 young Minnesotans to work and to earn the satisfaction of making an important contribution to future generations. In Minnesota, for this coming summer, we have had over 4,000 applications for these 400 YCC positions.

Minnesota cannot do this alone. Since we are not alone in this problem, a national problem, an expanded federal response is necessary. The proposed Youth Employment and Training Act of 1977 is intended to provide the expanded federal response necessary to address the employment problem of young Americans.

Activities of the Governor's Council on Employment and Training

In order to address these employment problems of young Americans in Minnesota, our Governor's Council on Employment and Training (GCET) has been working over the past year to recognize special problems of youth and employment and to develop solutions. In their recommendations to the Governor they had stressed the importance of expanded Governor's Summer Youth Employment Program as well as developing operational purposes concerning summer youth employment. They also recognize that youth employment programs are not just summer youth employment programs. That the 16-19 year old who is out of school and out of work has the most serious employment problem in Minnesota.

At the Council meeting of April 20, 1977, the Minnesota GCET heartily endorsed the concept of the Youth Employment and Training Act of 1977 and urges it's swift passage. In addition, they have adopted specific comments regarding this proposed legislation. Governor Perpich has asked me to express his strong endorsement of this proposed Youth Employment and Training Act of 1977 and to forward these comments.

Comments and Recommendations on the Youth Employment and Training Act of 1977

Part A -- National Young Adult Conservation Corps

General Comments

We applaud this program as contributing significantly to the needs of youth as well as creating a better environment. We in Minnesota particularly appreciate the need for this program. Our general concern is that the program be closely coordinated with the needs and priorities of our State.

We feel that the method of allocating resources to the states should be tied to the amount of public lands each state possesses, both federal, state and county lands. This approach, along with a fair share allocation to state and local agencies as well as Federal agencies, will allow the program to do the most good in the areas it was intended, namely, our nation's system of public lands.

We are also concerned that the program is flexible enough to permit needed employability and other services to be provided to youth in need to have a more permanent impact on their prospects for future employment.

Specific Comments

Section 803(c)

We are concerned that the criteria for areas of high employment take into consideration the seasonability of many state's economies and not penalize states such as Minnesota.

Section 803(d)

It is important to maintain a comprehensive approach to the employment of youth. The participants for this program should be carefully screened to determine their real interest and commitment to this type of employment. It is also important to provide employment counseling following their participation in this program.

It would seem that Indian Prime Sponsors under Section 303 of CETA should be specified as a referral source.

Section 806

We appreciate the acknowledgement of the role of the Governor in the case of agreements being entered into with state agencies.

In addition, the Governor should designate the state agency to be responsible for this program. We also feel that authorized expenditures must include administrative costs. Work project supplies and equipment, funds for upgrading existing facilities, etc.

Part B -- Youth Community Conservation and Improvement Projects

General Comments

We support the basic concept of this program. We particularly applaud the flexibility of resources implied in the language of Section 811.

Specific Comments

Section 811

While we applaud the intent; we are particularly concerned about the appearance of a hold-harmless on CETA Title I resources devoted to youth activities. If this is the intent of this section we strongly object on the grounds that it limits the flexibility of local prime sponsors, quite inconsistent with the intent of CETA to match programs and activities to the appropriate target groups in need of services. Minnesota prime sponsors are currently devoting more than 50% of Title I resources to those 21 and under. This apparent hold-harmless provision puts unnecessary restraints on prime sponsors' abilities to respond to the needs of their areas.

Section 813(a)

We are again concerned about the measurement of severity of unemployment in the prime sponsor area. From our knowledge, the data on youth employment and unemployment by prime sponsor area is imprecise at best. We agree, however, that targeting funding by the incidence of youth unemployment is the correct approach.

Section 817(a)

We take most violent exception to the provision of this section. We see no reason to develop a procedure any different for this program than we are currently required to utilize under the expanded Title VI program.

Under Title VI each project is reviewed by both the prime sponsor's advisory council as well as prime sponsor staff. The Department of Labor (DOL) has no role in the disapproval of any specific project a prime sponsor submits in his Title VI grant.

We see this section as a dangerous approach as well as an administratively untenable one. It is questionable at best to assume that the DOL could have any justification to decide to fund or not fund specific projects. This flies directly in the face of the decentralization principles as well as the local decision-making principles CETA is built on. It should be stricken.

Part C -- Comprehensive Youth Employment and Training Programs

General Comments

We view this program, in some ways, as the most important part of the bill. It provides the kinds of resources needed to address most comprehensively the employability problems of youth, including the critical issue of transition from school to work.

Specific Comments

Section 831

Again, as stated above, if this is intended to be a hold-harmless for each prime sponsor, we feel it is inappropriate. If it is intended to reflect the intent of Congress not to decrease Title I funding in general, we feel the language should be clarified.

Section 833

We feel that the direction of the funding procedures should be away from significant amounts of discretionary funding. We would support an allocation of:

--75% of all funds directly to prime sponsors

--15% to the DOL for innovative and model projects

--10% to Governors for innovative and model projects

With this allocation we feel that the interests of all groups will be served. Funds will be made available to prime sponsors to work in conjunction with local educational agencies and other human service agencies to provide services to youth.

The DOL will have 14% of the allocation to fund programs of national interests to community organizations, prime sponsors and other applicable organization This will serve the legitimate interests of providing nationally-supported models.

We feel strongly that a 10% allocation to Governors is an important tool in moving toward policy our youth employment problems. We feel that the active role of the Governor in addressing this important issue will be greatly facilitated through this 10% allocation. It can be used to strongly involve state agencies, particularly the educational system, in meeting the needs of youth.

We support an allocation of these Part C funds based on the incidence of the youth unemployment problem. We would suggest a formula which weighted equally low-income families and youth population. This would appear to best approximate the target group the program is addressing.

Section 835(a)

While we don't disagree with the fact that youth must be unemployed, youth who are in school are not in the labor force and thus not technically unemployed. This might present some problems in serving in-school youth, even though the primary emphasis is serving out-of-school youth per 835(c).

Occupational Information Provisions

We have been particularly concerned about the effectiveness of Occupational Information. Our staff has followed closely the development of these provisions and offer these specific comments concerning this vital issue.

Both the administration bill and the Javits amendments contain provisions relating to occupational or career information systems. We in Minnesota have some experience with one of these systems, as Minnesota is one of the eight states funded by the Department of Labor under its current Occupational Information Systems Grants Program which began in 1975. While we wholeheartedly support the concept of providing current, accurate, and locally relevant information about occupations and educational and training programs to individuals engaged in vocational exploration and decision-making, we have several concerns regarding the current language of both the bill and the Javits amendments. We do not have alternative language to propose but, rather, wish to raise some issues for your consideration.

With regard to the administration's bill, in sec. 832(c) the "provision of occupational, educational and training information" is listed as an allowable, or perhaps a required, service to be provided by prime sponsors. However, in sec. 838(a), which authorizes the Secretary to establish "innovative and experimental programs," it is stated that the occupational, educational, and training information to be provided "through state-wide career information systems" is to be made available to eligible secondary school students! Similarly, the Javits amendments, in sec. 832(d)(1)(B), in referring to occupational information systems identifies "school district offices" as their users.

We feel it is necessary to point out that information of this nature is just as critically needed by out-of-school youth -- or adults, for that matter -- making a vocational decision as it is by youth still in school. These individuals are, of course, those served by CETA prime sponsors as well as by the public employment service, vocational rehabilitation programs and other social agencies. We feel it is critical that any legislation which expands upon this concept ensures that all youth-serving programs can benefit from the information to be developed.

Let us illustrate from our experience in Minnesota. As mentioned above, the Minnesota Occupational Information System is one of the demonstration projects funded by the current grants program. Recently, Governor's Manpower Office staff arranged for a demonstration of the system to be provided to Minnesota's ten prime sponsors, and then conducted a brief survey to determine the prime sponsors' degree of interest in using the system. Two results of the survey stand out. First, prime sponsors without exception felt the system would be a valuable tool to support their employment counseling programs. Secondly, however, for the majority of the prime sponsors, the costs associated with using the system pose a serious problem. In Minnesota, the system is currently available through computerized delivery only. This entails substantial costs for hardware, computer access, and in some cases long-distance telephone lines for each physical location. While this works well in Minnesota for educational institutions (which are already tied into an educational computer network), and for our urban prime sponsors who serve a large volume of participants, it is not feasible for small agencies or those which are remote and/or decentralized. This includes both our outstate and our suburban prime sponsors. Alternative delivery approaches have been developed which can be used to supplement computerized delivery. Our concern, therefore, is that legislation clearly state that delivery vehicles be provided which will meet the needs of CETA and other social agencies, including those which are small or remote, as well as the needs of educational institutions.

We would also like to comment on three other aspects of sec. 838(d)(1) of the Javits amendments.

1. Clauses (B) and (D) do not clearly distinguish job banks from career information systems. Career information systems contain general descriptive and labor market information about occupations for vocational exploration and decision-making purposes; in contrast, job banks provide listings of current job openings to aid persons engaged in immediate job search. Job banks are operated by the public employment services under a uniform Department of Labor

designed system as part of their labor exchange function.

We would recommend that the legislation address job banks -- if at all -- separately from career information systems. It may, for example, be desired to strengthen or expand job bank operations to make them more effective. In this case, we would like to call attention to the fact that the information on current job openings contained in job banks is not uniformly made available by state employment service agencies to prime sponsors. This is a matter of local discretion, and where the employment service agency does not choose to make full information available the effectiveness of prime sponsors' operations is adversely affected. Particularly with the additional responsibilities to be placed on prime sponsors with this legislation, it is important that the information needed in the job development and placement process be available to them.

2. These amendents assign responsibility for the development of career information systems to the National Occupational Information Coordinating Committee (NOICC), an interagency body established by the Education Amendments of 1976 and consisting of the Commissioner of Education, the Administrator of the National Center for Education Statistics, the Commissioner of Labor Statistics, and the Assistant Secretary for Employment and Training. This raises a number of issues:

--NOICC, and the related network of State Occupational Information Coordinating Committees which are also being established, are intended to serve somewhat different purposes. Their mandate is to improve the quantitative data relating to occupational labor supply and demand for the purpose of vocational education and employment and training program planning and operation at the national, state, and local levels. In contrast, career information systems utilize quantitative data such as this as well as a variety of other types of information to proclude descriptive statements about occupations, including duties performed, working conditions, earnings, preparation required, and labor market conditions and trends-that can be used by high school students, CETA participants, and other individuals. Would these related though distinct purposes -- development and dissemination of data -- be better served through being more closely tied together?

--How would this work out at the state level? What would be the relationship between the State OICC's with their statutory authority and either existing or new statewide career information systems? (Current systems are governed by a consortium of state agencies including both producers and users of information.) What change in State OICC membership would be needed?

--How would 50 disparate statewide systems tie into the system to be developed by NOICC and implemented by the State OICC's? The mandate of NOICC is to design and implement an occupational data system which will be based on standardized definitions, classification systems, and estimating procedures, an approach which we fully support. Would NOICC establish standards for inclusion of occupations in the career information systems and for quality and format of file contents? Or perhaps design a national career informations system into which local information is to be placed, as has been done in Canada?

There are undoubtedly other issues involved in addition to those which are apparent to us. It may be helpful in this connection to observe that almost all of the existing statewide systems are still in the demonstration project stage, less than halfway through the four-year period of federal support. Perhaps it would be most appropriate for the Secretary to devote time and resources to studying this questions, namely the most effective approach to nationwide implementation of career information systems, before determining whether the NOICC and State OICC network is the appropriate vehicle. Again, we would like to emphasize that we are strongly supportive of federal efforts to improve the labor market information needed both for the planning of programs and to be provided directly to individuals. Our concern is that these efforts be implemented in the most effective manner possible.

3) Clauses (C),(E) and (F) are programmatic rather than information-related activites, and therefore, need to be addressed in some other context than that of occupational information systems. To illustrate, counseling programs should be developed by parties knowledgeable about and responsible for them rather than parties responsible for the development of information -- which is just one of many tools used in the counseling process. Specifically:

--The counseling and employment programs for youth in correctional institutions referenced in clause (C) would be most effectively handled through the correctional institutions and the appropriate local agency, as discussed above.

--Counseling programs for presecondary youth, as referenced in clause (D), are most appropriately career education activities; they can be made available in local school districts throuth the "Elementary and Seconday Career Education Act of 1977" (H.R. 7) currently moving through the Congress.

--Programs to "encourage" employers to list job openings are, as discussed above, related to placement rather than career guidance activities, and the previous comments as to public employment service labor exchange responsibilities would apply. It should be noted that there is currently in existence a mandatory listing program requiring federal contractors to list all job openings with the public to veterans. While we could not dispute the intent of this clause, to promote "cooperation and contact between elibible applicatants (i.e., prime sponsors) and employers," we feel that it can be more effectively addressed by, as previously mentioned, requiring the sharing of job listings between the employment service and prime sponsors, and by prime sponsors themselves in the course of program operations at the local level.

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April 27, 1977

The Honorable Augustus Hawkins
Chairman
Subcommittee on Employment Opportunities
Education and Labor Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to you on behalf of the National Council of Community Mental Health Centers, which we represent, and its over 500 members most of whom are comprehensive community mental health center programs, concerning the legislation now pending before your subcommittee to authorize a youth training and employment program. We ask that this letter be made a part of the record of the hearings on HR 6138.

Community mental health centers are public or private nonprofit agencies providing a complete range of mental health services to a specified geographic area of between 75,000 and 200,000 persons. Over the last several years many CMHCs have participated in the CETA program, and these monies have been an important factor in enabling CMHC programs to hire persons to support their clinical programs. Examples of the kinds of employment which CMHCs can offer and which can be of mutual benefit to the CMHC program and the individual who is employed are:

- outreach workers to inform patients on need for follow-up services or on availability of service
- therapy aides in socialization and recreation programs
- child care workers in day care/day treatment programs
- social work aides
- young people employed to provide escort services to elderly
- mentally handicapped persons, including youth, employed in various capacities, including messengers or operators of office machinery
- drivers to transport elderly or handicapped patients in need of service to the CMHC

NCCMHC strongly supports the continuation of the CETA program and the initiation of a youth employment program under CETA to provide special resources to enable CMHC and other agencies to employ young people, including mentally and physically handicapped youth. However, NCCMHC urges the inclusion in such programs of authority to enable direct federal grants to be made to private nonprofit agencies, without such agencies having to apply through the prime sponsors.

The opportunities for meaningful employment for young people and other CETA eligible persons are equally valid in private nonprofit CMHCs as in the publicly operated CMHC programs. Currently, of over 600 federally-funded CMHCs, over half are private nonprofit agencies. Although CETA law now permits such agencies to be funded, provided the prime sponsor approves, in fact, priority for funding frequently goes to public programs. The only way to ensure that private nonprofit agencies participate in CETA to the extent to which we believe they should participate, is to authorize direct project grants by the Department of Labor and to establish a set aside for funding which ensures that a minimum percentage of appropriations will be available for such grants.

Employment by community agencies such as CMHCs provides young people with the opportunity to contribute meaningfully to their community, and can also help to instill good attitudes towards work and to develop a sense of responsibility and community involvement and commitment. NCCMHC believes that both the public and private sector should be actively involved in providing youth with appropriate employment and related training opportunities.

NCCMHC supports enactment of proposals to extend CETA and set up a youth employment program, but urges the subcommittee to include in both programs authority for direct project grants to be made to private nonprofit agencies and for a minimum level of funding for such projects (i.e. a certain percentage of appropriations).

Sincerely,

Chris Koyanagi

Chris Koyanagi
cc: John Wolfe, NCCMHC

HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

statement by
Leon Shull
National Director, Americans for Democratic Action

on the
Youth Employment and Training Act of 1977

SUMMARY OF AMERICANS FOR DEMOCRATIC ACTION POSITION
ON THE
COMPREHENSIVE YOUTH EMPLOYMENT ACT OF 1977

1. ADA urges raising the level of funding to $2.5 billion in FY78.

2. ADA urges the adoption of a maintenance of effort provision for youth within existing CETA Titles.

3. ADA urges targeting the limited resources to those most in need. Suggests changing the eligibility requirements for enrollees under Part A to those from families at or below 150% of the BLS lower living standard budget.

4. ADA supports an amendment disregarding an enrollee's earnings in determining the eligibility of other family members for other federal programs.

5. ADA urges the adoption of language to ensure full participation of young women in the program.

6. ADA supports the formula under Part C which makes 50% of the funds available to the Secretary of Labor for the establishment of innovative and experimental programs.

7. ADA supports the strong labor standards contained in Part D.

8. ADA urges that more emphasis be placed on educational and training programs and programs open to in-school youth.

9. ADA urges Members to work for the adoption of more comprehensive legislation when the CETA system expires next year.

TESTIMONY OF LEON SHULL

Mr. Chairman, Members of the Subcommittee. I am pleased to have this opportunity to present ADA's views on the Youth Employment and Training Act of 1977. The legislation proposed by the Administration and introduced by the Chairman of the Committee presents a major step toward dealing with a situation that has reached crisis proportions. While we are generally supportive of the initiative, we believe that the bill should be amended to: (1) ensure that a majority of youth desiring and needing jobs have ready access to employment possibilities; (2) provide comprehensive and realistic job training and placement for participants in the program; (3) target many of the programs to low and moderate income youth and; (4) provide sufficient appropriations to promote the development of new, creative and effective solutions to the youth employment problem.

Many have already testified before you as to the nature of the youth employment problem. There has been general acceptance from Democrats and Republicans, liberals and conservatives alike that much of the problem is a structural one involving the kinds of unemployment problems that will benefit little from "normal" recovery of the economy. If young people are to have access to, training for and success in employment, special efforts--such as a new CETA Title solely concerned with training and jobs for youth will be necessary.

However, have you really listened to these witnesses as they have described the magnitude of the situation? Well over 3.4 million young Americans (aged 16-24) are officially out of work. Yet the Administration's request for only $1.5 billion over 18 months will reach just some 200,000 of them. Are you prepared to tell 15 of every 16 currently unemployed youths that their society can offer them no hope?

Just this month, newspaper aritcles appeared describing the plight of thousands of needy youngsters who waited at community employment centers in New York City over night in near freezing weather to register for CETA Title III summer jobs. At site after site there were many times the number of applicants as there were slots. Registration at the Coney Island Neighborhood Youth Corps Center had to be called off at 7:00 am when 2,500 young people were lined up for 691 jobs. Remarked Marion Kennedy, the Center Director, "I foresaw a situation wherein we would have to call the police and I decided I would not be responsible for pitting brother against brother, sister against sister, and neighbor against neighbor in competition for $46.75 a week, so I called it off. It may mean my job, but I feel it would be worth that to keep things cool in this community."

Is there any doubt in your minds that our youth not only need jobs but desperately want them?

ADA urges you to raise the level of funding. We believe that the $2.5 billion which was authorized by the full Senate Human Resources Committee in the FY78 budget report is a much more appropriate figure than that requested by the Administration.

In addition, we urge you to adopt a maintenance of effort provision to ensure that prime sponsors do not diminish their level of services to youth under existing CETA Titles. For example, if 60% of current Title I enrollees are under age 22, then at least 60% of FY78 Title I enrollees should be under age 22. Increases in the level of appropriations for any of the CETA Titles either solely involving youth or partially involving youth should not be used as an escape for substitution, for expanding programs to include other than youth or to ignore or weaken whatever income and/or age targetting exists in the existing Titles.

ADA has long been an advocate of full employment legislation to guarantee every American the right to a job. We believe that a person derives more from a job than just income -- he/she derives economic security, some freedom of choice in his/her spending decisions and greater access to and fuller participation in the economic, political, and judicial systems of this country. A young person who holds a job gains important work experience, training, and a sense of self-worth at an especially crucial stage of personal development.

However, when resources are limited and not every American can be served by a program, we believe that those who need the help the most should be served first. In terms of youth employment, this means targeting the funds to the most disadvantaged of our youths -- youths from low income families, inner-city minority youths (whose rate of unemployment is hitting at depression levels of well over 40%), rural youth who often have severely limited access to employment possibilities, youths with dependents, handicapped youths, non-English speaking youths, juvenile offenders.

As it is currently written, all young Americans would be eligible for Part A, the National Young Adult Conservation Conservation Corps, regardless of economic status. Agriculture Department studies of the current summer program indicate that participants are most likely to be white youths from middle and upper middle income families. We suggest that the eligibility requirements for enrollees under Part A be changed so that the program is targeted to disadvantaged and other needy unemployed youth. 150% of the BLS lower living standard budget might be used as a realistic income criterion.

In addition, we would support an amendment to Seciton D (proposed by the National Association of Counties and similar to Section 717 of HR 6044) stating that "earnings received by any youth under tnis title shall be disregarded in determining the eligibility for any other immediate family member who resides in the same household for the amount of any benefits based on need under any federal or federally assisted program." The underlying philosophy of a policy that penalizes family members solely because one member is employed is abhorrent-pitting the poor, the near poor and the working poor against each other.

We believe special efforts must be made under this and other Parts to ensure that unemployed women, many of who have dependents and are side wage earners, are encouraged to participate. Last week Secretary Ray Marshall and Assistant Secretary Ernest Green testified that only 25% of Job Corps enrollees are women. The female participation rate in past programs leads us to believe that specific affirmative action language is necessary, and that prime sponsors are strongly advised to develop programs that employ women. Many of the Job Corps programs and jobs available through the YCC involve industries and businesses that have long-standing bad track records in the employment of female workers. Any changes or additions to youth employment programs must insure full consideration of the special employment problems of young women.

We support the targeting provisions in Section C, the Comprehensive Youth Employment and Training Programs. Moreover, we are hopeful that the half of those funds hwich are at the Secretary's discretion to establish innovative and experimental programs for dealing with the unemployment problems of youth will offer us models upon which to base future manpower policy. There is much to be learned as to which approaches are right for which segments of the youth population and we believe the Secretary is best equipped to run such programs without needless duplication of effort. We hope that in this and other parts of the bill, the Department of Labor and prime sponsors will give special consideration to applications submitted by non-profit community based organizations who have demonstrated their ability to effectively operate job and job-related programs.

We are especially pleased to see that a separate wage system for youth is not contemplated in this legislation. A 1975 study for the Labor Dept. indicates that making youth the source of cheap manpower would lead not to the creation of new jobs but to the displacement of adult workers from existing jobs. Moreover, economist Barnard Anderson of the Wharton School of the University of Pennsylvania, has warned that a lower minimum wage would exacerbate the problems (including high quit rates) which characterize the secondary labor markets in inner cities. We support Section 851 of Part D General Provisions and oppose any efforts that would result in the disemployment of those already in the workforce.

The absence of a strong educational component and programs for in-school youth is a serious weakness in the bill. Many of our youth who are failing in or being failed by our educational institutions need a variety of support services ranging from remedial reading to vocational training to counseling. Awarding participants academic credit alone (as is provided for in Seciton 839 and 852 of the bill) does not prepare them adequately for the world of work. A comprehensive youth employment policy must include expanded vocational education, job and career counseling, internships and other early work experinece possibilities and a whole range of other support services to allow those in school to make realistic work choices and to equip themselves with intellectual and technical skills.

In addition, the types of jobs to be funded should involve work that is useful to the community, productive for the employed and which will equip the individual with a marketable skill. Members of this Subcommittee heard the views of young people themselves on this subject at a March 25th hearing in New York City. The young people, many of whom were drop outs, juvenile offenders, and gang leaders, attested to their desire for programs which offer real jobs--not "make work"--and the chance to learn skills and finish their educaiton. Planting trees in national forests may teach an individual how to show up for work on time, but it does not provide him/her with the skills required for the kinds of jobs available in urban areas. The opportunity to hold a job for 12 or 18 months does little to improve the individual's chances for future employment unless it is coupled with training and skills development.

In conclusion, let me stress that while this legislation represents a significant beginning, it will not take the place of the comprehensive long range program which must be developed when CETA expires. There are millions of young Americans who want and need the chance to make a contribution to their society. Unfortunately many of them will have to wait for at least another year for that chance.

MICHAEL J. HARRINGTON
6TH DISTRICT, MASSACHUSETTS

COMMITTEE ON
INTERNATIONAL RELATIONS

COMMITTEE ON
GOVERNMENT OPERATIONS

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May 2, 1977

The Honorable Augustus F. Hawkins, Chairman
Subcommittee on Employment Opportunities
B-346

Dear Mr. Chairman:

Your subcommittee meets today to mark up the Youth Employment and Training Act of 1977 — an attempt to expand and improve programs aimed at 3.4 million young people now out of school, and out of work. Because I was unable to appear personally before the subcommittee to present my thoughts and suggestions, I am writing today to convey them briefly by letter.

There is perhaps no single issue which so directly tests the success of our political and economic systems as youth unemployment. The hopes and aspirations of an entire generation to better its lot is tied to the relative success of today's youth in securing meaningful work and training in their early working years. Despite our best efforts at adult education, adult counseling and adult employment training, the fact remains that work habits, skills and job outlooks are all formed early in life. And if that is true, I fear that today's situation bodes ominously for those 3.4 million young people who will be frustrated in finding a start this year.

Earlier in the year, I re-introduced legislation to provide a guarantee of full employment for young people within three years of enactment, through a combination of private and public sector jobs and training efforts. The intent and mandate of the bill follows closely that of the so-called Humphrey-Hawkins bill which you authored — that every young person wanting a job or job training will be guaranteed it by the federal government after all private sector opportunities have been exhausted. While the tide of support for the concept has been less than overwhelming, I still harbor the hope that the country will soon be willing to make the kind of commitment of manpower and resources needed to accomplish this great goal.

To that end, I would support anticipated efforts to increase authorizations under the Youth Employment Act to $2.5 billion — a minimum figure to my mind. Current estimates are that the program funded at that level would reach only 10 per cent of the 3.4 million unemployed youth nationwide. The House bill should seek to increase that percentage both by lowering the anticipated per-youth cost under the bill, and commit increased levels of funding in future years if the national youth unemployment rate does not significantly improve.

Title I of the subcommittee draft allocates $350 million for expansion of the Youth Conservation Corps, a well-remembered success story dating to to the New Deal. I would hope the subcommittee could further enhance the possibility for YCC activity in the Eastern regions of the country by allowing YCC work at state parks and forests as well as on federal lands. I would also recommend that YCC projects be extended to rehabilitation of railraod beds owned by CONRAIL and AMTRAK, where rehabilitation delays have stood in the way of expanded passenger and cargo service. Both changes would not only contribute to solving an unemployment problem, but also reinforce federal support of railroad revitilization, environmental protection, and expansion of outdoor recreation facilities.

Title II of the subcommittee draft expands and improves programs both for unemployed youth in and out of school, including the placement of youth in public service jobs funded by the Secretary through CETA prime sponsors. I would hope that the committee consider lifting the public service requirement for these jobs. Too often, CETA jobs fit the description of make-work employment which solves an immediate problem of joblessness but offers little in the way of useful training, adjustment and job placement. Positions secured in expanding industries of the private sector, however, could hopefully provide on-the-job training which leads directly to permanent employment.

To that end, I would suggest a system of vouchers issued by the Secretary to pay the wages of eligible youths working in approved private sector jobs. To ensure that the vouchers do not become merely a subsidy for private business, and to ensure the job placement aspect of the program, I would have the vouchers self destruct: each year the amount of federal funds for a position would decrease with a concommitant increase in the contribution required from the business involved. A penalty would be imposed on a business which withdraws during the phase-out period — say from two to four years.

This voucher concept accomplishes two functions simultaneously. It gives placement and training to unemployed youths in expanding industries, where they can hope one day to obtain meaningful employment. And it gives federal incentives to the private sector to expand employment opportunities, in much the same way as the new-worker tax credit proposed by several of our colleagues. Hopefully, the voucher concept could be extended both to in-school and out of school youths under the Act.

We hear so often about how much work there is to be done in this country — managing public lands, rehabilitating our cities, rebuilding our railroads, caring for our young, our elderly and our handicapped, cleaning up our river and harbor areas for recreation and commerce, constructing decent housing for our poor. Yet I am struck by the lack of creativity and imagination with which federal unemployment funds are used both in providing jobs and simultaneously meeting these larger objectives. A better mechanism is needed to funnel our unemployment program funds toward activities in these areas rather than simply expanding the number of positions in existing non-profit agencies.

In that vein, I would suggest the subcommittee consider amending the mechanism for distributing funds among the governors, the Secretary of Labor and prime sponsors, as contained in Title II. Specifically, I would suggest that the full 75 per cent not assigned to the Secretary for discretionary funds be assigned to the governors of each state, to be spent according to a comprehensive youth employment plan formulated by each state and approved by the Secretary. The plan should provide funds for each of the activities listed under Section 319 (b) of the subcommittee draft, except where inapplicable, and should be comprehensive both in the sense of addressing all the causes and symptoms of youth unemployment, and avoiding duplication of services and administrative expenses.

This proposal for state by state plans I think best targets the moneys authorized under the Act to the needs both of unemployed young people, and the larger needs of individual communities. Certainly CETA prime sponsors would play a crucial role in any state plan. But I think it is folly to assume that the best way to address youth unemployment problems is to channel another $2 billion through existing CETA organizations which have, in some instances, been unsuccessful in getting help to persons most in need, and in other instances been unequipped to address the particular needs of youth. A statewide comprehensive plan would involve all relevant agencies and educational institutions, both public and private, in a concerted effort to reach out and identify unemployed youth who are most in need, and provide the kind of training, counseling and placement they require. The process could also direct the job-creating aspects to projects of highest concern to the people of the state.

Finally, I would bring to the subcommittee's attention a concern that lately extends to almost every federal program — the equity of the state distribution formula as outlined in Title II, Section 319 (A) through (E). The formula suggested weights 75 per cent on the basis of relative numbers of unemployed persons within a state and 25 per cent on the relative number of families with incomes below poverty levels. The net effect is to distribute the money among the several states without most effectively targeting to areas of highest concentrated unemployment.

As an alternative, I would suggest a formula which is modeled after that used in HR 11, the recent public works bill, as reported by the Committee on Public Works. That formula weights 65 per cent on the basis of a state's share of the national number of unemployed persons, and 35 per cent to states with unemployment rates in excess of 6.5 per cent — in proportion to the extent to which the state exceeds 6.5 per cent unemployment. The HR 11 formula targets more of the money to areas of greatest need, such as my own state of Massachusetts, where unemployment rests at about 8 per cent for adult population and 16 per cent for youth. Under the formula now written in the subcommittee draft, Massachusetts will receive a smaller share of the entire authorization than it received even under last year's CETA Title II distribution.

I appreciate this opportunity, albeit late in the process, to present these suggestions and views to you and members of the subcommittee. I hope they might prove useful during your markup session this week.

Yours sincerely,

Michael J. Harrington

MJH/srp

TESTIMONY

MANUEL D. FIERRO

PRESIDENT

National Congress of Hispanic American Citizens

(El Congreso)

Before the
U.S. Senate Sub Committee on Employment

April 21, 1977

MR. CHARIMAN AND MEMBERS OF THE COMMITTEE:

MY NAME IS MANUEL D. FIERRO, I AM THE PRESIDENT OF THE NATIONAL CONGRESS OF HISPANIC AMERICAN CITIZENS (EL CONGREGO), A NATIONAL NON-PARTISAN CITIZENS LOBBY FOR THE HISPANIC PEOPLE.

ON BEHALF OF OUR 25 MEMBER NATIONAL BOARD OF TRUSTEES AND THE 125 PARTICIPATING NATIONAL, STATE AND LOCAL SPANISH-SPEAKING ORGANIZATIONS, I THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY REGARDING THE SERIOUS MATTER OF YOUTH UNEMPLOYMENT AND THE VARIOUS LEGISLATIVE APPROACHES AIMED AT REMEDING THIS EVERGROWING CANCER. I WILL DIRECT MY COMMENTS TO SPECIFIC CHARACTERISTICS OF THE HISPANIC POPULATION AND THE NEED FOR YOUTH EMPLOYMENT PROGRAMS TO ADEQUATELY AND EFFECTIVELY ADDRESS THESE NEEDS.

FOR MANY YEARS NOW, CONGRESS HAS BEEN DEVELOPING LEGISLATION TO DEAL WITH THE CHRONIC UNEMPLOYMENT PROBLEMS OF THIS NATION. AFTER WITNESSING THE SPENDING OF BILLIONS OF DOLLARS TO SUPPOSEDLY TRAIN THE ECONOMICALLY DISADVANTAGED, WE CAN SEE VERY LITTLE SIGNIFICANT BENEFIT TO THOSE REQUIRING SUCH ASSISTANCE. WHILE IT IS EASY FOR MANY TO ALLOW SUCH A TRAVESTY TO CONTINUE, OUR COMMUNITY CAN NO LONGER TOLERATE SUCH NEGLECT AND ABUSE. I MAKE THIS STRONG STATEMENT BECAUSE A CLOSE EXAMINATION OF THE FACTS SUBSTANTIATES OUR CONTENTION THAT MANPOWER PROGRAMS SUCH AS THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973, CETA, HAVE SERIOUSLY FAILED TO PROVIDE THE CHRONICALLY UNEMPLOYED HISPANIC WITH ANY MARKETABLE SKILL IN ORDER TO SURFACE FROM THE EVER SURROUNDING MALADY OF POVERTY.

ECONOMIC REPORTS INDICATE THAT IN 1976 HISPANICS EXPERIENCED AN UNEMPLOYMENT LEVEL 50 PERCENT HIGHER THAN THAT SHOWN BY THE TOTAL WORKFORCE. IN 1976, HISPANIC UNEMPLOYMENT WAS 11.5 PERCENT WITH TOTAL U.S. UNEMPLOYMENT AT 7.7 PERCENT. A GLARING FACT OF HISPANIC UNEMPLOYMENT IS THAT IN A SPAN OF TWO YEARS, IT HAS INCREASED 35 PERCENT, JUMPING FROM 8.2 PERCENT AT THE END OF 1974 TO 11.1 PERCENT AT THE END OF 1976. IF THE HISPANIC UNEMPLOYMENT FIGURE FOR THE FIRST QUARTER OF 1977 - 12% - IS AN INDICATION OF WHAT THE FUTURE HOLDS OUR PEOPLE WILL CONTINUE IN THE DEPRESSING AND INFECTUOUS ENVIRONMENT OF POVERTY.

IN EXAMINING MEDIAN INCOME LEVELS FOR HISPANIC FAMILIES, WE FIND A PATTERN OF ECONOMIC DENIAL. MOST RECENT REPORTS SHOW THAT THE INCOME GAP FOR A HISPANIC FAMILY HAS WIDENED WHEN COMPARED TO ALL FAMILIES. OVER SEVEN YEARS AGO, THE GAP WAS 28.5 PERCENT; IN 1975 IT WORSENED TO 30.1 PERCENT. THIS FACT INDICATES THAT HISPANIC FAMILIES HAVE BEEN EARNING $4,170 LESS THAN OTHER FAMILIES.

IN 1975 THE MEDIAN INCOME FOR HISPANIC FAMILIES WAS $9,550; FOR ALL FAMILIES IT WAS $13,720 (AN INCREASE FROM $12,800 IN 1974.

LIKEWISE IN 1975, 25% OF ALL HISPANIC FAMILIES, OR 627,000 FAMILY UNITS, WERE BELOW THE LOW INCOME LEVEL, CONTRASTING WITH 11.6% OF ALL FAMILIES BELOW THE LOW INCOME LEVEL.

I MENTION THE ECONOMIC STATUS OF HISPANIC FAMILIES FOR IT HELPS TO ILLUSTRATE THE NEED TO ADEQUATELY AND EFFECTIVELY PROVIDE YOUTH EMPLOYMENT PROGRAMS TO THE ECONOMICALLY DISADVANTAGED IN THIS COUNTRY.

FURTHERMORE, HISPANIC YOUTH IS THE HISPANIC FAMILY. IN MARCH 1974, THE MEIDAN AGE FOR A HISPANIC FAMILY WAS 20.9 YEARS AS COMPARED TO 28.9 FOR THE TOTAL POPULATION. ALSO, 13% OF THE HISPANIC POPULATION UNDER 5 YEARS OF AGE COMPARED TO THE TOTAL POPULATION WHERE ONLY 8% WERE UNDER 5 YEARS OF AGE. THE YOUTHFULNESS OF OUR FAMILIES IS DEMONSTRATED IN THE MAKE-UP OF THE FAMILY WHERE A SUBSTANTIAL PROPORTION, 42%, ARE UNDER 18 YEARS OF AGE.

WHEN WE LOOK AT UNEMPLOYMENT FIGURES FOR HISPANIC YOUTH IN 1976, WE FIND THAT 23% OF THE 16 TO 19 YEAR OLD HISPANIC YOUTH WERE UNEMPLOYED. THE NEARLY 125,000 HISPANIC YOUTH IN THIS AGE GROUP ARE JOINED BY 16 PERCENT OF THOSE AGED 20 TO 24-- ANOTHER 150,000 INDIVIDUALS WHO ARE ABLE AND WILLING TO WORK BUT ARE UNABLE TO FIND JOBS.

THIS PHENOMENON OF HIGH YOUTH UNEMPLOYMENT, PRESENTLY MORE THAN TWICE THE NATIONAL UNEMPLOYMENT RATE, IS A CHRONIC PROBLEM LONG OVERLOOKED. HOWEVER, UNEMPLOYMENT SERVES AS ONLY ONE ASPECT OF A LARGER PROBLEM OF INADEQUATE WORK OPPORTUNITIES FOR HISPANIC YOUTH. IN ADDITION TO THE 275,000 UNEMPLOYED ON THE AVERAGE DURING 1976, A NUMBER OF HISPANIC YOUTH OUTSIDE THE LABOR FORCE WANTED A JOB BUT WERE NOT LOOKING FOR ONE BECAUSE THEY HAD CONCLUDED THAT NONE WAS AVAILABLE FOR THEM. OTHER HISPANIC NONPARTICIPANTS WHO WANTED JOBS WERE IN SCHOOL, TEMPORARILY ILL OR DISABLED, HAD FAMILY RESPONSIBILITIES, OR HAD OTHER REASONS FOR NOT LOOKING FOR WORK. IF THE JOB MARKET WERE BETTER, A LARGE PROPORTION OF THESE YOUTH WOULD ENTER THE WORK FORCE.

These facts provide us with statistical outlines of the economic problems of Hispanic families as well as the employment dilemma of Hispanic youth. It is a situation where the family is young and large with usually only the head of the household gainfully employed due to inadequate job opportunities for the youth.

It is truly unfortunate that Congress has just now begun to move on legislation concerning youth employment. We, as a society, have had to witness a horrible increase in juvenile crime before this occured. Many of us here are fortunate not to have personally suffered from the indignation and ire of today's youth - which in many instances, is tearing up our cities and terrorizing many defenseless persons. Many are skeptical, and reluctant to make monies available for youth employment programs because they view it as an unnecessary waste of the taxpayer's money. Many skeptics feel that by doing away with child labor laws unemployed youth will gladly fill the many job openings this action would potentially create. For these individuals, we suggest that they spend time with chronically unemployed families and youth and examine once again the data we have presented regarding the economic status of Hispanic families and youth.

We are strongly in accord with the need to establish a youth employment program. However, there are a number of concerns we have with the Administration's bill S.1242. It is our understanding that this proposal was developed for the purpose of providing employment skills and opportunities for disadvantaged youth. However, upon examining this bill we believe little will be done to effectively deal with the youth unemployment situation if passed as it presently reads.

Part A, entitled National Youth Adult Conservation Corps, makes no mention of focusing attention on disadvantaged youth. We are well aware that ethnic youth minorities are the hardest hit by youth unemployment, yet there is not effort to target this program toward these groups. Furthermore, what validity, what attraction does working in the outdoors have for a ghetto or barrio youth? Will this work experience provide them with a job skill they can peddle in the labor market after a period of a year in the program? Is is the intention of the Department of Labor to convert parts of Chicago, Seattle, the Bronx, Los Angeles into national or state parks?

In discussing Part B, the Youth Community Conservation and Improvement Projects, again we see no targeting of program monies to disadvantaged youth. We see in Sec. 817(2) that "eligible youths can receive credit from the appropriate educational agency or school involved." Are we to believe that bilingual instruction will be utilized in this situation? Will job skill training be provided by bilingual instructors and will bilingual material be used for assuring Hispanic youth equitable employment development and opportunities? In addition, we do not see the rationale behind establishment of Part B and C programs. Perhaps a more feasible approach is to incorporate the Youth Community Conservation and Improvement Projects into the Comprehensive Youth Employment and Training Programs.

While this legislation provides for the inclusion of in-school youth and gives the Secretary of Labor regulatory discretion for bringing them into the programs, it fails to establish an in-school

YOUTH EMPLOYMENT PROJECT. WE RECOMMEND THAT PARTS B AND C BE INCORPORATED WITH AN IN-SCHOOL PROGRAM ADDED TO THE PACKAGE. ANOTHER MAJOR CONCERN OF OURS IS THAT MIGRANT YOUTH, PERHAPS THE HARDEST HIT BY A BLEAK ECONOMIC AND EMPLOYMENT PICTURE, ARE TOTALLY OMITTED FROM ANY SPECIFIC EMPLOYMENT PROBLESM ENCOUNTERED BY NON-ENGLISH SPEAKING YOUTHS ARE NOT ADDRESSED SUFFICIENTLY BY THIS LEGISLATION. BILINGUAL INSTRUCTION IS NEEDED TO ENABLE MANY MEMBERS OF OUR COMMUNITY TO RISE ABOVE THE FLOOD OF POVERTY. FURTHERMORE, THERE IS LITTLE UTILIZATION OF CBO'S IN CARRYING OUT THIS PROGRAM. THESE ORGANIZATION ROLE MU[illegible] BE EXPANDED FOR THEY ARE MOST CLOSELY ASSOCIATED TO THE PROBLEM AT THE COMMUNITY LEVEL AND CAN PROVIDE MUCH NEEDED ASSISTANCE.

AS THE LEGISLATION NOW STANDS, YOUTHS IN THE PROGRAM CAN LOOK FORWARD TO BEING EMPLOYED FOR A YEAR'S PERIOD DURING WHICH TIME THEY WILL BE PROVIDED WITH SOME CAREER GUIDANCE AND COUNSELING. WHAT HAPPENS TO THE PARTICIPATING YOUTHS UPON TERMINATION OF THE PROGRAM IS NOT ADDRESSED IN THE PRESENT LEGISLATION.

A REALISTIC PROGRAM DEVELOPED TO ALLEVIATE THE PROBLEMS OF POOR AND MINORITY YOUTH MUST: 1) INCLUDE EFFECTIVE, LONG-RANGE CARRER GUIDANCE AND COUNSELING; 2) ASSURE THAT BETTER PAYING JOBS WITH OPPORTUNITIES FOR UPGRADING ARE OPEN TO ALL QUALIFIED PERSONS; AND 3) TARGET FUNDS TO THOSE MOST IN NEED.

ALSO, IT MUST PROVIDE FOR A WELL PLANNED IN-SCHOOL EMPLOYMENT TRAINING PROGRAM, FOR THE EDUCATIONAL SYSTEM HAS PROCESSED A LARGE NUMBER OF YOUNG PEOPLE WHO ARE UNPREPARED TO ENTER THE WORLD OF WORK, OR TO DEAL WITH CHANGING SOCIAL VALUES. THIS LEGISLATION, IN OUR OPINION, LEAVES MUCH TO BE DESIRED IN THIS RESPECT.

WHILE THERE SEEMS TO BE AGREEMENT THAT YOUTH UNEMPLOYMENT IS A STRUCTURAL PROBLEM IN NATURE, WHY ARE WE BEING PRESENTED WITH A LEGISLATIVE PROPOSAL WHICH RESEMBLES A COUNTER-CYCLICAL PROJECT? WE MUST NOT ALLOW POLITICAL EXPEDIENCY TO DETERMINE THE FATE OF OUR UNEMPLOYED YOUTH. IT IS IMPERATIVE THAT A YOUTH EMPLOYMENT PROGRAM BE CONSTRUCTED WITH GRAVE ATTENTION BEING GIVEN TO NEEDS ASSESSMENT, INTERGOVERNMENTAL COORDINATION, AND THE ERRORS ENCOUNTERED BY GENERAL MANPOWER PROGRAMS OF THE PAST. WHAT WE SEEM TO HAVE HERE IS AN ATTEMPT TO THROW MONEY AT THE UNEMPLOYED YOUTH PROBLEM FOR A SHORT PERIOD, WITHOUT PROPERLY CONSIDERING OR CONSULTING THE FACTS AND ORGANIZATIONS CLOSELY ASSOCIATED WITH THE PROBLEM. THE RESULT, AN ADDITIONAL TITLE TO CETA WHICH FAILS TO ESTABLISH THE NECESSARY MECHANISM TO BRING YOUTH UNEMPLOYMENT INTO A WORKABLE PERSPECTIVE.

WE CANNOT AFFORD TO TAKE SUCH AN INSENSITIVE APPROACH TO THE PROBLEM FOR TO DO SO MEANS THE PREPETUATION OF TODAY'S REALITIES, - JUVENILE CRIME, HISTORICAL POVERTY OF FAMILIES, URBAN DECAY, DISINTEGRATIO OF THE FAMILY UNIT, RACISM AND DISCRIMINATION. ALL OF THESE ILLNESSES WILL FOLLOW US INTO THE next CENTURY FOR THEY ARE WHAT MANY OF OUR YOUTH TODAY ARE HAVING TO LIVE WITH.

I DO NOT SAY THIS FOR THE PURPOSE OF AN EMOTIONAL APPEAL, BUT RATHER AS A STATEMENT OF THE REALITIES FACING OUR COMMUNITY AND OTHERS.

AS ANDREW YOUNG, U.S. REPRESENTATIVE TO THE UNITED NATIONS HAS COMMENTED IN REGARDS TO YOUTH UNEMPLOYMENT. "THEY (UNEMPLOYED YOUTH) WILL DO SOMETHING. THE QUESTION, I THINK, THAT IS PUT BEFORE THE GOVERNMENT IS, WILL THEY BE ENCOURAGED TO DO SOMETHING CONSTRUCTIVE AND CREATIVE

OR WILL THEY BE ALLOWED TO SINK INTO CHAOS AND DESTRUCTIVE ACTIVITY AND BECOME PART OF A CRIMINAL COUNTER CULTURE THAT WE WILL SPEND FAR MORE MONEY TO TRY TO COUNTERACT. I THINK VERY SIMPLY THAT IS THE CHOICE THAT IS BEFORE US."

THANK YOU FOR THIS TIME.

CAFCA
CONNECTICUT ASSOCIATION FOR COMMUNITY ACTION
1520 Main Street, Hartford, Connecticut 06120, (203) 278-9950

April 28, 1977

The attached refelects the view point of the Employment and Training Committee of the Connecticut Association for Community Action. It represents the efforts of the members of Connecticut's Community Action Agencys who have the responsibility for employment and training programs for their agency. Many years of experience in administering and operating programs are represented through the input of members of the committee, some who have been involved since the early sixty's.

As regard's CETA programs it expresses the view points of those that function under Blance of State funds as well as those that administer programs under the five major city's who are Prime Contractors.

The contents of this paper represent the experties gained in conducting programs for all segments of the poor in the State of Connecticut for the last thirteen years. We hope that the paper will be considered with this thought in mind.

Anthony J. Montefuso

Walter H. Pratt, Jr.
Co-Chairman of the Employment
and Training Committee

JAMES G. HARRIS, JR.
President
CRT, Hartford

JOHN Y. BROWN, JR.
Vice-President
CTE, Stamford

KENNETH GUNDERMAN
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TVCCA, Jewett City

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CAFCA is comprised of the 14 Connecticut Community Action Agencies:

Action For Bridgeport Community Development, (366-8241)
Bristol Community Organization, (584-2725)
Community Action Committee of Danbury, (744-4700)
Community Action for Greater Middletown, (347-7216)
Community Progress, Inc, New Haven, (787-6571)
Community Renewal Team, Hartford, (278-9950)
Committee for Training and Employment, Stamford (327-5260)
Meriden Community Action Agency, [illegible]
New Britain Human Resources Agency, (225-8601)
Norwalk Economic Opportunity Now, (853-2350)
New Opportunities for Waterbury, (757-1241)
Training, Education and Manpower, Inc., Derby, (735-9388)
Thames Valley Council for Community Action, Jewett City, (889-5241)
Windham Area Community Action Program, Danielson, (774-0400)
Low Income Planning Agency, Inc., Hartford, (246-6525)
[illegible]

"CONNECTICUT ASSOCIATION FOR COMMUNITY ACTION"

' Position Paper on Community Action and Employment and Training Programming'

Thirteen years after their creation under the Economic Opportunity Act, Community Action Agencies (CAA's) continue to fulfill that mandate which served as the very foundation for the Act" to eliminate the paradox of poverty in the midst of plenty". Today the parodox persists, exacerbated by a serious economic recession producing such problems as unemployment statistics unthought of in the late sixties. Inspite of the complexity of the problem prosented to the Community Action system including changes in the economics of the nation, CAA's can point to successes and prograss. Though reports are mixed and the Census Bureau reported an increase in the real number of poor people, likely attributable to recession and unemployment. The Congressional Budget Office hac shown that social service spending has in fact reduced poverty substantially. (See attached news reports of both studies) The Connecticut Association for Community Action (CAFCA) has adopted the position that Community Action Agencies, anti-poverty agents, are uecessary and viable service delivery mechanisms to the poor in this country in the fight to eliminate poverty. In direct contrast to social welfare which maintains people in poverty CAFCA has dmonstrated the ability to move people out of poverty. As an integral part of a service delivery stystem which offers a real "way out of poverty," CAA's have carefully developed the ability ot deliver employment and training programs to the poor. The President, recently addressing the unemployment situation especially as it pertains to youth, speaks of "innovative and experimental programs" and of ultimately funding programs with record of accomplishment-CAA"s have that record of accomplishment. Last year in Connecticut nine hundred and thirty five poor people obtained unsubstidized jobs through the programs and staffs of Community Action Agencies. Records in those agencies show that these people moved form the non-productive to the productive segment of the social structure. Many more poor have found work in government subsidized jobs created through direct and indrect efforts of CAA's. No other orgainization can point to the fact that their efforts are directed solely to the elimination of poverty. Other job programs deal with broader based populations rerely including the poor. Others do not offer enough service or experinece to effectively reach and work with the wide range of problems. Thirteen years of success and failure have shown CAA's where to take employment and training programs and where not to, to best service the poor. CETA has held back the effort to a degree. The New Federalism" under Nixon moved emphasis away from the poor. CAA's have managed to work with CETA and still make prograss in their goal to bring the poor into the American system which includes providing meaningful job. New Programs have often remained on the shelf in difference to CETA's preference for paper pushing. While priority has been given to staying within the board definitions of the act, congressional intent to service the poor has often been lost in the shuffle. Along with a scare few other community based orgainzation, CAA's have continued to work with the poor in employment and training programs. It is time to take those creative programs off the shelves, time to give back to CAA's the opportunity legislatively to exercise leadership in the effort to make a job available to every American able to work and to make poor Americans able to work by eliminating those artificial barriers to employment created by the condition of poverty.

Historically, Community Action Agencies have played an important role in employment and training programs. Indeed, the conceptual framework which extablished Community Action Agencies stresses a two fold approach: a social service orinentated approach emphasizing community self help as advocated by H.E.W. and a job and training approaching advocated by the Department of Labor. This latter approach was viewed as a critical component in the war on poverty: what better way to break the cycle of poverty than by establising gateways between the secondary and primary labor market. Communtiy Action Agencies Developed new and innovative employment programs addressing those unskilled choronically unemployed segments of the community; those who were in effect "screened out" of existing jobs were now "screened in" to job and career programs which would enable them to compete in the labor market. The Neighborhood Youth Corps, in school and out of school segments, originated in local Community Action Agencies, as well as neighborhood-operated skill and basic education centers. CAA's strongly emphasized youth employment opportunities, summer work programs and job corps before the problem of youth unemployment became the current national priority.

Further, as "umbrella" agencies housing a myriad of social service programs, CAA's were able to effectively provide a cohesive "mix" of supportive services for the community's poor: they established neighborhood health and legal services, pre-school education centers (Headstart), day care, centers to facilitate the entry of women into the work force. Community Action Agencies facilitated the formation of dozens of small neighborhood operated businesses; they operated transportation and food services, for the needy. As advocates for the poor, Community Action Agencies established career ladders for many talented minorities, and orgainzed neighborhood self help center to help the poor and disenfranchised exert pressure on local government officials.

Thus, CAA incorporated a comprehensive package of social services under one administrative cost, which, combined with jobs and training programs enhanced the employment opportunities of million of poor.

II COMMUNITY ACTION AGENCIES AND CETA

The Comprehensive Employment and Training Act (CETA) as part of President Nixons New Federalism has shifted the conceputal framework of employment programming from the poor and had placed much of the control of such programming in the hands of local governmental units. Recent figures indicate that nationwide half of those Community Action Agencies active in employment programming no longer receive any funding for such programs. Further, of those CAA's still receiving funds to operate employment programs nearly half are operation on significantly reduced funding levels.

In Connecticut, based upon a preliminary servey by CAFCA, four of the existing thirteen CAA's no longer operate any employment programs; of the nine remaining only five have had increased funding under CETA and the remaining four have experienced funding reductions.

Despite the drastic reduction in funding levels, those Community Action Agencies operating programs under CETA have been able ot effectively dispense jobs and training opportunities to th[illegible] specific segment of the population most in need of such services the poor. The Connecticut Association for Community Action belives that, while the intent of the CETA legislation was targeted to the poor, the implementation of the act has somehow overlooked this. Further, CAFCA asserts that CAA's have been designated as "anti-poverty" agencies designed specifically to serve the poor and as such CAA's still provide a viable and effective mechanism to deal with the employment problems of the poor. CAFCA requests that Employment and Training Legislation anf funding take notice of CAA's established abilities to deliver. Rather than allow valuable experience as well as new ideas to go by the wayside by ommission it is vital that CETA and any new manpower legislation mention CAA's as part of the manpower effort.

STATEMENT
on the
YOUTH EMPLOYMENT AND TRAINING ACT (H.R. 6138)
for submission to the
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
of the
HOUSE COMMITTEE ON EDUCATION AND LABOR
for the
CHAMBER OF COMMERCE OF THE UNITED STATES
by
MILLICENT W. WOODS*
May 11, 1977

The Chamber of Commerce of the United States welcomes this opportunity to express its views on H.R. 6138, the Youth Employment and Training Act of 1977. This legislation is designed to provide this nation's young people with worthwhile work and training opportunities which will improve their job prospects and enhance their opportunities for self-fulfilling and productive careers.

This issue is of vital concern to our membership which embraces over 63,000 business enterprises, 1100 trade and professional associations, and 2500 state and local chambers of commerce.

In general, we support the Youth Employment and Training Act as needed legislation to address the complex issues of youth unemployment. Our testimony is directed toward H.R. 6138, but our observations and recommendations go well beyond the need to reduce youth unemployment and are directed to the broader goal of helping young people become contributing members of our society.

Our comments will be in six major segments:

1) The Education-To-Work Transition
2) The Youth Unemployment Problem
3) Characteristics of Youth Unemployment Today
4) Government Programs to Minimize Youth Unemployment
5) Analysis of the Youth Employment and Training Act (H.R. 6138)
6) Specific Comments on H.R. 6138

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*Associate Director for Education, Employment and Training, Chamber of Commerce of the United States

THE EDUCATION-TO-WORK TRANSITION

Youth unemployment and the proposed measures in H.R. 6138 to combat it are part of a much broader issue being addressed in this country: the education-to-work transition. Many of the people, aged 16 to 24, who made up February's 16.0% youth unemployment rate were educated in a school system which somehow did not adequately equip them for participation in the nation's workforce. Jobs creation measures and training programs such as those proposed in H.R. 6138 provide only partial, short-range solutions to the overall societal problem of youth isolation from the adult world. Our broader goal should be the establishment of education, transition, and work development systems that will substantially reduce youth unemployment.

While helping unemployed youth is a must, developing ways to educate our youth through combining formal education and work experience has become a critical need. Enactment of this youth employment legislation should not invoke complacency. All major institutions — the government, community and civic organizations, and the private sector — must continue to seek more effective ways of equipping our young people for participation in adult society.

THE YOUTH EMPLOYMENT PROBLEM

There are two categories to analyze when studying youth unemployment. The first broad category encompasses all young people, ages 16-24. The second sub-category encompasses teenagers, ages 16-19.

The youth unemployment rate of February 1977 was 16.0% for those aged 16 to 24 — a disturbing figure that is more than twice the adult unemployment rate. It is double what it was when the Bureau of Labor Statistics first collected youth unemployment figures in 1947 and is up from 12% in 1965. Unemployment among teenagers, aged 16 to 19, was 15% in February 1974 and 19.9% in February 1977. Youths 16 to 24 years old account for close to one-half of all persons 16 and over who are unemployed.

The unemployment rate is over twice as high among persons who are both young and black. Among these, the unemployment rate was 41.4% in February, 1977.

A total of 22.6 million 16 to 24 years olds were in the labor force in October 1976, 750,000 more than a year earlier. Of these, 19.4 million were employed, but 3.1 million were unemployed.

In view of the fact that most people think primarily of heads of household when they evaluate the country's unemployment problems, it is entirely appropriate that the Congress single out one segment of the unemployed -- youth -- and attempt to address its specific problems. At the same time, it is important to take a further look at the make-up of youth unemployment, to try to understand what its different components are and to address them separately.

CHARACTERISTICS OF YOUTH UNEMPLOYMENT TODAY

Statistics on youth unemployment for February 1977 show that:

-- While the unemployment rate was 19.9% for those aged 16 to 19, 853,000 (52%) of these young people were looking for full-time work and 783,000 (48%) were looking for part-time work. On the other hand, of the total civilian labor force aged 16-19, 10.3% were looking for full-time work and 9.5% were looking for part-time work. We do not suggest that we disregard any teenagers needing and seeking part-time employment. However, different approaches of training and employment may be necessary for these almost equal in number categories of teenagers. In other words, teenagers in school seeking part-time jobs present a different problem from either graduates or dropouts seeking full-time jobs.

-- Many young workers have limited family responsibilities and are often secondary wage earners, enabling them to pursue an entry-reentry pattern in the labor force. Heads of household between the ages of 16 and 24 had an unemployment rate of 10.0% in February. This compares to an unemployment rate of 16.0% for all persons between the ages of 16 and 24 in that same month.

-- Of the 4.3 million young persons between the ages of 16 and 21 who were in school in February, 21.3% or 931,000, were unemployed and looking for work. Only 120,000 of these were looking for full-time work while 811,000 were looking for part-time work.

Beyond this, indications are that:

-- Most youth unemployment is of a short duration. According to a Department of Labor Study, in 1975 on an annual average basis, nearly one-half of all jobless teenagers had continuous spells of unemployment of less than five weeks duration. In 1975, 18% of unemployed teenagers were out of work 15 weeks or more. By contrast 32% of all unemployed were jobless for more than 15 weeks.

-- Youth also go in and out of the job market much more than the rest of the population. This is partly the result of part-time students but also characterizes out-of-school youths who are "job-shopping" for more satisfactory employment. For example, in February teenagers who left their jobs were 1.6% of the labor force versus 0.6% for adult males and 1.2% for adult females.

These figures suggest that the problems of youth unemployment are serious. They also suggest that, unlike adult unemployment, serious economic need is not necessarily the major determining factor in today's high youth unemployment rate. Rather, youth unemployment stems from multiple sources: 1) a search for supplementary family income; 2) "job-hopping" to acquire skills and determine individual career goals; 3) the desire to have spending money during school years and 4) structural problems, such as skill deficiences or educational attainment.

GOVERNMENT PROGRAMS TO MINIMIZE YOUTH UNEMPLOYMENT

According to the FY 1978 Budget, the Federal Government spent $3.146 billion in FY 76 to provide work experience or training to 4.6 million participants under age 22. This funding encompassed three broad categories of programs: 1) training programs, 2) transition-to-work services and 3) public service employment/work experience.

Training programs include the institutional and on-the-jobs training provided under Title I of the Comprehensive Employment and Training Act (CETA) and under CETA's Job Corps program. Title I directs funds to state and local governments to provide comprehensive manpower services, including training programs. The Job Corps is a residential program of intensive education, training and counseling for disadvantaged youth between the ages of 16 and 21.

Transition-to-work services include the counseling, placement and recruitment programs funded both by CETA Title I and Job Corps as well as the vocational rehabilitation and work study programs administered by the Department of Health, Education and Welfare.

Public service employment/work experience programs include CETA Title II and Title VI public service jobs, the CETA Summer Youth program, and the Youth Conservation Corps, administered through the Departments of Agriculture and Interior.

Exhibit A gives a breakdown of spending and participation in these employment and training programs.

Beyond this, there are numerous federal programs and laws which have an obvious impact on youth employment. Youth receive direct placement assistance from the U.S. Employment Service under its regular programs and the food stamp program. The federal minimum wage laws and the child labor laws have specific impact on employment of youth. Lastly, numerous research and demonstration efforts relating to youth employability are being conducted in various federal agencies.

ANALYSIS OF THE YOUTH EMPLOYMENT AND TRAINING ACT OF 1977 (H.R. 6138)

On March 9, 1977 in a message to Congress, President Carter recommended spending $1.5 billion over an 18-month period for new youth employment programs. The President's proposal, embodied in H.R. 6138, introduced on April 6, is in three parts:

-- Part A. A National Youth Conservation Corps, which would employ youths, ages 16-22, in conservation programs and in the maintenance and improvement of public parks, forests, and recreation areas. In his March 9 message to the Congress, the President called for spending $350 million over an 18-month period for 35,000 jobs in this program.

-- Part B. A Program of Youth Community Conservation and Improvement Projects which would employ youths, ages 16-22, to perform work which would not otherwise be carried out. This would include rehabilitation or improvement of public facilities, neighborhood improvements -- including basic repairs to low-income housing -- and conservation, maintenance or restoration of natural resources on non-federal public lands. These projects would be developed by state and local governments; funds would be available to rural as well as urban governments. However, in allocating funds, the Secretary of Labor would take into consideration the severity of unemployment among eligible youths residing in the areas to be served. The President called for spending $250 million over an 18-month period to employ 30,000 youths in jobs in this program.

-- Part C. A Comprehensive Youth Employment and Training Program which would provide training and work experience to youths aged 16-22. This program would include supportive services such as outreach, counseling and occupational information as well as institutional and on-the-job training. Half of the funds would be allocated under the block-grant system on a formula basis and half would be allocated at the discretion of the Secretary of Loabr. The President called for spending $900 million to enable 138,000 youths to participate in this program.

SPECIFIC COMMENTS ON H.R. 6138

In general, the National Chamber supports the basic provisions of H.R. 6138 as needed legislation to address the complex issues of youth unemployment. While supportive of the general concepts in the bill, we would like to suggest some revisions.

-- First, the legislation should include specific mechanisms for involving the private sector in employment and training programs. There is strong argument for this involvement. Five out of six permanent jobs in our nation's economy are in the private sector. If unemployed youths are to obtain full-time, self-sustaining employment, the most efficient method of doing this is through private sector work experience. We recommend that H.R. 6138 include some provisions to make increased on-the-job training more attractive to the private sector. For example, on a pilot-test basis, tax credits could be provided to employers who provide training and employment opportunities to young people.

-- Second, we support continuation of the decentralized block-grant system of funding based on the fact that it permits local flexibility and responsiveness. Part C of H.R. 6138, the Comprehensive Youth Employment and Training Programs, relies on a project approach for distribution of 50% of the funds available for these programs. We suggest following the precedent set by Section 4E of CETA, P.L. 93-203, which requires that 80% of CETA funds be distributed on a formula basis to state and local governments, allowing 20% to be reserved for nationally-administered programs. This 80-20 mix seems an appropriate combination to allow for local flexiblity as well as national innovation.

-- Third, we recommend that consideration be given to paying less than the minimum wage for employment and training resulting from H.R. 6138. Such a youth opportunity wage would maximize the number of jobs created by this legislation. Recent studies have shown that the minimum wage has a negative effect on the number and quality of jobs for teens. This negative impact on youth employment favors the enactment of a youth differential, as an incentive to hire people in the Part C Section of H.R. 6138.

Application of a youth differential wage rate in Parts A & B of the bill would increase the number of jobs created by this legislation.

- Fourth, in accord with long-established policy, we oppose the provisions (Section 851(j)(3) of Part D) that apply Davis-Bacon wage rates to Part B and Part C projects. There is no good reason to reduce the number of jobs for young people under this bill by paying such inflated and unnecessary wage rates.

- Lastly, we recommend that the bill be revised to provide increased linkages between CETA programs and in-school youth. The numbers of youth in school and seeking employment who are eager to know the world of work should be addressed by this legislation. If this legislation is to deal comprehensively with the employment needs of youth, it must do more than create jobs. It must address the broader question of careers and lifelong employment. A national commitment to strengthened education-to-work transition is essential if we are to solve more than temporarily our youth unemployment problem.

In summary, while supporting the overall thrust of H.R. 6138, we urge consideration of our recommendations to increase the bill's effectiveness.

EXHIBIT A

EMPLOYMENT AND TRAINING PROGRAMS SERVING YOUTH IN FISCAL YEAR 1976

[Individuals in thousands, outlays in millions]

Program	New[1] enrollees	Total[1] participants	Outlays (mil.)
Only for youth:			
CETA summer	888.1	1,139.6	459.4
Youth Conservation Corps	23.0	23.0	17.4
Job Corps—CETA title IV	44.0	64.7	180.6
High school work study	15.0	42.0	10.8
Federal summer aid	30.0	30.0	42.0
Stay-in school	4.1	10.3	57.5
Subtotal	1,004.2	1,309.6	767.7
Serving youth and others:[2]			
CETA—Title I, II, III (except summer), and VI	1,104.1	1,596.4	1,746.9
WIN	15.2	19.0	35.6
HUD—community development	7.9	10.1	10.9
Veterans Administration programs	3.2	10.6	17.5
Bureau of Indian Affairs programs	6.0	8.7	19.0
HEW—vocational rehabilitation	88.3	283.0	173.3
HEW—social services	718.5	1,137.3	355.4
Community Services Administration	3.7	11.0	12.1
Subtotal	2,026.9	3,076.9	2,378.7
Total	3,031.1	4,386.5	3,146.4

[1] Youth only.
[2] Outlays for these programs are prorated based on the percentage of youth participants.

SOURCE: Special Analyses Budget of the United States Government, Fiscal Year 1978, Government Printing Office, page 189.

NEW ENGLAND COUNCIL OF CETA PRIME SPONSORS, INC.
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April 28, 1977.

Ms. Susan D. Grayson, Counsel
Subcommittee on Employment Opportunities
Committee on Education & Labor
U.S. House of Representatives
Rm. B346A Rayburn House Building
Washington, D.C. 20515

Dear Ms. Grayson:

Thank you for your letter of April 20, 1977. I am sorry that scheduling did not permit a member of our organization to testify before the Subcommittee on Employment Opportunities concerning pending youth legislation. As per your request, however, I am enclosing a copy of a statement which I hope will become part of the record.

The statement is a draft written by Charles Tetro, Director of the Penobscot (Maine) CETA Consortium, for review and discussion at our NECCPS meeting May 4, 1977.

Because you indicated that the Subcommittee would be marking up a bill within days, I decided to send the draft. It does represent the general feelings of all New England CETA Prime Sponsors.

Thank you for your attention to this matter. With warm regards, I am

Sincerely,

Stephen W. Berman
Ececutive Director

SWB:paf

Enclosure

DRAFT

TESTIMONY ON YOUTH LEGISLATION

PREPARED FOR

THE NEW ENGLAND COUNCIL OF CETA PRIME SPONSORS, INC.

BY

CHARLES TETRO

PENOBSCOT CONSORTIUM

BANGOR, MAINE

APRIL 1977

MR. CHAIRMAN:

I AM SUBMITTING TESTIMONY ON BEHALF OF THE NEW ENGLAND COUNCIL OF CETA PRIME SPONSORS.* WE ARE HONORED TO BE ABLE TO SHARE WITH YOUR SUBCOMMITTEE OUR THOUGHTS ABOUT LEGISLATIVE INITIATIVES AIMED AT AMELIORATING CONDITIONS WHICH SEVERELY LIMIT JOB ACCESSION BY YOUNGER WORKERS.

THE COUNCIL IS PARTICULARLY CONCERNED THAT ANY NEW LEGISLATION RECOGNIZE THAT THE YOUTH EMPLOYMENT PROBLEM CANNOT BE TREATED IN ISOLATION FROM GENERAL MARKET CONDITIONS WHICH DESCRIBE THE PARAMETERS OF EMPLOYMENT OPPORTUNITY. THE CONFIGURATION OF REGIONAL AND LOCAL LABOR MARKETS WILL LARGELY DETERMINE THE EXTENT TO WHICH JOB ACCESSION RATES IMPROVE FOR YOUNGER WORKERS. FOR THIS REASON, WE BELIEVE THAT YOUGH RESOURCE DEVELOPMENT POLICY SHOULD BE INTEGRALLY RELATED TO MORE GENERAL STRATEGIES FOR REGIONAL DEVELOPMENT.

AT THE SAME TIME THAT MUCH OF THE NATION HAS ENJOYED SUBSTANTIAL INDUSTRIAL GROWTH; PRIVATE CAPITAL HAS FLOWED OUT OF NEW ENGLAND ALONG WITH PEOPLE AND JOBS AT ALARMING RATES. THIS DETERIORATION OF NEW ENGLAND'S INDUSTRIAL BASE HAS OCCURRED OVER A LONG PERIOD AND HAS PROGRESSED TO THE EXTENT THAT CURRENT LABOR FORCE GROWTH IN THE INDUSTRIAL SECTOR RUNS 50% BEHIND THE NATIONAL AVERAGE. MOREOVER, THE TRANSITION FROM AN INDUSTRIAL TO A SERVICE ECONOMY HAS BEEN PAINFULLY ACCLERATED BY THE CONVERGENCE OF FACTORS SUCH AS VASTLY INCREASED ENERGY COSTS AND GREATER ATTENTIVENESS TO THE ECOLOGICAL IMPACTS OF PRODUCTION. AND, SINCE MUCH OF THIS REGION'S INFRASTRUCTURE IS OBSOLETE, THE PACE OF INDUSTRY'S OUT MIGRATION HAS BEEN HASTENED BY THE SEARCH FOR GREATER EFFICIENCY. TODAY,

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*THE NEW ENGLAND COUNCIL OF CETA PRIME SPONSORS CONSISTS OF TWENTY STATE, COUNTY AND CITY PRIME SPONSORS. THE COUNCIL HAS BEEN ORGANIZED TO SPONSOR RESEARCH AND EVALUATION STUDIES AND DEMONSTRATION PROJECTS AIMED AT ACHIEVING GREATER COORDINATION IN THE FORMULATION AND EXECUTION OF REGIONAL AND NATIONAL MANPOWER POLICY.

RURAL AND SUBURBAN COMMUNITIES IN THIS REGION EXPERIENCE UNEMPLOYMENT LEVELS WHICH RIVAL BOSTON AND PROVIDENCE.

NEW ENGLAND FACES THE DIFFICULT TASK OF BUILDING A DIFFERENT SORT OF ECONOMY BASED UPON LOW ENERGY CONSUMING INDUSTRIES WITH A RELIANCE UPON MORE SUITABLE FORMS OF ENERGY PRODUCTION.

IT IS WITHIN THIS COMPLEX SOCIAL AND ECONOMIC MILIEU THAT TRAINING AND EMPLOYMENT PROGRAMS FOR YOUTH MUST BE DESIGNED AND IMPLEMENTED.

LET US FOR A MOMENT FOCUS UPON SOME OF THE MORE SALIENT FEATURES OF THE YOUTH EMPLOYMENT EXPERIENCE. TO BEGIN WITH, YOUNGER WORKERS ARE EMPLOYED TO A FAR GREATER EXTENT THAN IS OFTEN ASSUMED. ALBEIT, FREQUENTLY FOR BRIEF PERIODS, PART TIME, AND IN JOBS WHICH MAY NOT BE REGARDED AS PARTICULARLY ATTRACTIVE. THE EDUCATION/WORK NEXUS SO OFTEN PORTRAYED AS A CONNECTION NOT MADE IS RATHER A CONNECTION MADE IN A SOMEWHAT DISJUNCTIVE FASHION. THIS IS THE CASE MORE BECAUSE SOCIETY ACTS UPON THE ASSUMPTION OF A DICHOTOMY BETWEEN WORK AND EDUCATION THAN BECAUSE AN ACTUAL GAP EXISTS IN THE LIFE EXPERIENCE OF YOUTHS. A MAJORITY OF YOUNGTERS ATTENDING SCHOOL ALSO WORK. FOR THEM, THE MATTER AT HAND IS FREQUENTLY MORE ONE OF RELATING THE EXPERIENCES TO EACH OTHER AND TO THE MORE GENERAL PROCESS OF GROWING UP THAN IT IS ONE OF BUILDING BRIDGES TO LIFELONG CAREERS. THE ACTUAL EMPLOYMENT EXPERIENCE OF YOUNGER WORKERS IS INSTRUCTIVE IN THIS REGARD.

WE SHOULD ACCEPT THAT INITIAL FORAYS INTO THE LABOR MARKET WILL BE TENTATIVE: EXPERIMENTAL IN NATURE. AND, THAT ANY CAREER SELECTION WILL BE INEXACT, WITH THE CONSEQUENCE THAT OVER A PERIOD OF YEARS YOUNGER WORKERS WILL HOLD SEVERAL DIFFERENT JOBS IN A VARIETY OF OCCUPATIONAL FIELDS. THIS IS SO, NOT SIMPLY BECAUSE EXPOSURE TO OCCUPATIONAL INFORMATION IS RELATIVELY LIMITED AND UNEVEN. NOR DOES IT FOLLOW ONLY FROM THE FACT THAT COMPETITION FOR JOBS IS KEEN DUE TO THE LARGE YOUTH COHORT, MAKING A SUITABLE OCCUPATIONAL "FIT"

PARTICULARLY DIFFICULT TO EFFECT. RATHER, IT IS SO BECAUSE THIS HAS BEEN AND CONTINUES TO BE THE MANNER IN WHICH THE "FIT" IS MADE BY NEARLY ALL YOUNGER WORKERS REGARDLESS OF THEIR RELATIVE DEGREE OF ADVANTAGEMENT OR PREPARATION.

APPARENTLY, BY THE AGE OF 25 THE EMPLOYMENT EXPERIENCE STABILIZES FOR NEARLY ALL YOUTHS REGARDLESS OF THEIR TYPE OF JOB OR ECONOMIC SITUATION, SUGGESTING MORE THE CULMINATION OF A PHASE IN THE PROCESS OF AGING THAN THE EMERGENCE OF ANY SIGNIFICANT FACTORS CONDITIONING THEIR EMPLOYMENT OPPORTUNITY. THIS STABILITY IS BOTH ILLUMINATING AND QUITE DISTURBING.

IT WOULD SEEM TO INDICATE THAT WHILE MANY YOUNGER PEOPLE HAVE NOT ACHIEVED SATISFACTORY OPPORTUNITIES FOR WORK, THERE IS AN INCLINATION TO SETTLE INTO EMPLOYMENT WHICH OPERATES IN NEARLY ALL CASES. FOR TOO MANY, THIS INVOLVES ACCEPTING A RANGE OF POSSIBILITIES AND A STANDARD OF LIVING WHICH ARE QUITE LIMITED. CAST SIMPLY IN ECONOMIC TERMS, MANY YOUNGER WORKERS ARE SETTLING INTO POVERTY.

THE SEVERITY OF THE YOUTH EMPLOYMENT PROBLEM IS MOST OFTEN GAUGED BY RATES OF UNEMPLOYMENT. THE UNIFORMLY HIGH RATES ARE LAMENTED BY NEARLY EVERYONE CONCERNED WITH THE YOUTH EMPLOYMENT CONNECTION. HOWEVER, IN THE FACE OF THIS I WOULD ADVANCE THE PROPOSITION THAT WHAT IS DEPLORABLE IS NOT THE RATE OF UNEMPLOYMENT EXCEPT AS IT REFLECTS AN UNEVEN DISTRIBUTION OF UNEMPLOYMENT TO PARTICULAR GROUPS OF YOUNGER PEOPLE. THE HIGH RATE MAY RESULT MORE FROM THE APPLICATION OF A METHODOLOGY WHICH IS ILL-SUITED TO DEPICT THE DYNAMICS OF THE YOUTH LABOR MARKET THAN FROM HOSTILE MARKET CONDITIONS. MORE IMPORTANTLY, WHAT SHOULD CONCERN US ARE THE STRUCTURAL IMBALANCES AND THE SEGMENTATION: THE INEQUALITY OF OPPORTUNITY WHICH ALSO CHARACTERIZES THE YOUTH LABOR MARKET.

THE CENTRAL ASSERTION OF THIS TESTIMONY PROCEEDS QUITE URGENTLY FROM EVIDENCE THAT LARGE NUMBERS OF YOUNG PEOPLE ARE BEING DENIED NORMAL RITES OF PASSAGE.

THERE IS NO CONDITION MORE ANOMALOUS THAN THAT OF THE INDIVIDUAL OF ABILITY FAILING TO REALIZE AN EMPLOYMENT POTENTIAL WHEN THE MEANS TO NURTURE GROWTH TOWARD THAT POTENTIAL ARE WELL WITHIN OUR GRASP AS A SOCIETY. YET, SUBSTANTIAL NUMBERS OF YOUNGER PEOPLE WILL NOT EVEN APPROACH THE LIMITS OF THEIR CAPACITY TO BE SELF-SUFFICIENT AND PRODUCTIVE. OTHERS WILL BE DENIED A CHANCE TO ACQUIRE THE KNOWLEDGES, SKILLS AND ABILITIES REQUIRED OF INDIVIDUALS WHO ARE TO EXPERIENCE STABLE EMPLOYMENT IN DECENT JOBS. IN THE MOST EXTREME INSTANCES, THIS OCCURS AS GROUPS OF PEOPLE ARE SYSTEMATICALLY EXCLUDED FROM PARTICIPATION IN THE MAINSTREAM OF ECONOMIC LIFE BY THE PREJUDICE THAT CONTINUES TO OPERATE IN THE MARKET PLACE. IN OTHER INSTANCES, IT IS THE MORE SUBTLE INFLUENCE OF AN ECONOMY IN DECLINE WHICH DISTRIBUTES RELATIVELY FEWER AND FEWER OPPORTUNITIES FOR EMPLOYMENT TO AN ELITE GROUP OF ESTABLISHED WORKERS.

FREQUENTLY IMPEDIMENTS TO THE YOUTH EMPLOYMENT CONNECTION ARE LESS OBVIOUS THAN THOSE CAUSED BY THE RAPID DECLINE OF OUR CITIES OR THE GREAT DISTANCES ENCOMPASSED BY OUR RURAL LABOR MARKET AREAS. MANY BARRIERS DERIVE CHIEFLY FROM ENDOGENOUS FACTORS INCLUDING YOUNGER WORKERS' FAILURE TO POSSESS SKILLS AND ABILITIES NORMALLY ACQUIRED THROUGH A MORE GENERAL SOCIALIZATION PROCESS. IF WE ARE TO TAKE GUIDANCE FROM EMPLOYERS, WE WOULD CONCLUDE THAT RELATIVELY FEW YOUTHS ARE EXPOSED TO ESSENTIAL WORK BEHAVIORS OR TO THE SATISFACTION WHICH MAY RESULT FROM THE PURSUIT OF EXCELLENCE IN ANY ENDEAVOR. TO THE EXTENT THAT THIS CAN BE REMEDIED BY OUR SCHOOLS, IT SHOULD BE; AND, IT WOULD SEEM IMPORTANT TO WORK AGGRESSIVELY TO STIMULATE THIS SORT OF INSTITUTIONAL CHANGE IN ANY GENERAL EFFORT TO ENHANCE THE QUALITY AND EXTENT OF THE LABOR FORCE PARTICIPATION OF UNGER WORKERS.

BUT WHILE THESE GENERAL EFFORTS ARE IMPORTANT AND NEED TO BE UNDERTAKEN, THEY SHOULD NOT DIVERT ATTENTION OR RESOURCES FROM THE MORE DIFFICULT PROJECT: OUR PRINCIPLE EFFORT SHOULD BE AIMED AT DEVELOPING A SYSTEM WHICH INTERACTS WITH LOCAL LABOR MARKETS TO ELIMINATE THE INVOLUNTARY NON-PARTICIPATION OF PARTICULARLY DISADVANTAGED SEGMENTS OF THE YOUTH POPULATION. WHEN NON-PARTICIPATION IS APPROACHED AS A MECHANICAL RATHER THAN A MORAL PROBLEM, IT ASSUMES MORE HUMAN DIMENSIONS, IT BECOMES MANAGEABLE. THIS IS NOT TO SUGGEST THAT IT BECOMES EASY TO REMEDY, HOWEVER. FOR MANY YOUNGER PEOPLE HAVE EMPLOYABILITY PROBLEMS OF SUCH MAGNITUDE THAT EVEN IF A JOB WERE AN IMMEDIATE POSSIBILITY, SUCCESSFUL EMPLOYMENT WOULD NOT BE PROBABLE.

TO INCREASE THE MARGINAL PRODUCTIVITY AND INCOMES OF THESE YOUTH, TRAINING PROGRAMS MUST NURTURE THE DEVELOPMENT OF MORE EFFICIENT AND STABLE WORK BEHAVIORS, INCREASE TRANSFERRABLE SKILLS AND PROVIDE ENTERPRISE SPECIFIC TRAINING WHICH LINKS YOUNGER WORKERS TO THE MARKET. THIS RESULT CAN OFTEN BE ACHIEVED THROUGH A SEQUENCE OF TRAINING WHICH INVOLVES WORK ADJUSTMENT, GENERAL SKILL DEVELOPMENT AND FINALLY TRAINING ON THE JOB.

BY ITS VERY NATURE, THIS PROCESS IS RELATIVELY LONG AND COSTLY.

PRIVATE SECTOR RESISTENCE TO INVOLVEMENT WITH TRAINING THE DISADVANTAGED SPEAKS DIRECTLY TO THIS MATTER BY ADDRESSING THE NEED TO PREPARE THESE YOUNGER WORKERS TO BE PRODUCTIVE, AND THIS WILL NOT OCCUR IF WE PLAN FOR ONLY CASUAL AND BRIEF ENCOUNTERS WITH THESE YOUNG PEOPLE. THERE IS AN IMPORTANT COROLLARY TO THIS. OUR TRAINING OBJECTIVES PRESUME THAT YOUNGER WORKERS WILL BE PLACED IN SETTINGS WHERE THEIR INCREASED PRODUCTIVITY WILL BE REWARDED; AND TO THIS END, INCREASED ATTENTION MUST BE GIVEN TO FINDING ROUTES TO JOBS IN INDUSTRIES WITH STRONG INTERNAL LABOR MARKETS.

FOR TOO LONG, NOW, WE HAVE SETTLED FOR A PARTICIPATION SOME DISTANCE FROM THE MARKET PLACE WHERE JOBS ARE ACTUALLY SECURED AND CAREERS BEGUN. IF WE ARE

TO BE SUCCESSFUL, THE ARCHITECTS OF YOUTH TRAINING AND EMPLOYMENT DESIGNS MUST BE FIRMLY GROUNDED IN THE REALITIES OF LOCAL LABOR MARKET DYNAMICS.

FINALLY, LET US CONSIDER SOME ADDITIONAL ELEMENTS WHICH MAY BE REGARDED AS ESSENTIAL INGREDIENTS IN ANY FORMULA DEVELOPED TO ENHANCE THE YOUTH EMPLOYMENT CONNECTION.

TO BEGIN WITH, WE MUST ACKNOWLEDGE THE NEED FOR A LARGE SCALE YOUTH PROGRAM WHICH IS INTENTIONALLY EXPERIMENTAL AND WHICH IS GROUNDED IN LOCAL LABOR MARKETS. THIS CONSTRUCT IS USEFUL BOTH AS IT IMPLIES THE NEED TO CAREFULLY DESIGN AND EVALUATE PROGRAMS AND AS IT ESTABLISHES A REASONABLE UNIVERSE FOR THE APPLICATION OF THESE VARIOUS DESIGNS. THIS WILL ALSO ENSURE THAT YOUTH PROGRAMMING DOES NOT OCCUR IN ISOLATION FROM THE MORE GENERAL LABOR MARKET MANAGEMENT EFFORTS OF EACH PRIME SPONSOR.

BY MAINTAINING A CONSOLIDATED SYSTEM OF LOCAL MANPOWER DELIVERY, THIS APPROACH YIELDS ECONOMIES WHICH CAN BE TRANSLATED DIRECTLY INTO CAPACITY TO TRAIN INCREASED NUMBERS OF ELIGIBLE APPLICANTS.

ANY COMPREHENSIVE YOUTH TRAINING AND EMPLOYMENT SYSTEM SHOULD BE FINANCED BY FORMULA ALLOCATION AND FORWARD FUNDED TO ENSURE EQUITY IN THE DISTRIBUTION OF RESOURCES AND TO PROVIDE ADEQUATE LEAD TIME FOR PLANNING.

THE FRAMEWORK ESTABLISHED SHOULD ENCOURAGE PRIME SPONSORS TO TEST NEW APPROACHES TO SECURING JOBS FOR DISADVANTAGED YOUTH IN THE PRIVATE SECTOR INCLUDING PROVISION FOR MORE REALISTIC APPRAISALS OF PRODUCTIVITY LOSS ASSOCIATED WITH PRIVATE SECTOR INVOLVEMENT IN SUCH AN EFFORT.

AND FINALLY, MR. CHAIRMAN, POLICIES CAST IN SUCH A MANNER AS TO FAVOR YOUTH OVER OTHER DISADVANTAGED SEGMENTS OF THE POPULATION ARE INIMICAL TO THE MORE GENERAL SOCIAL PURPOSE OF FACILITATING JOB ACCESSION FOR ALL WHO ARE ABLE

AND WISH TO WORK. FOR THIS REASON, THE CONSIDERABLE FLEXIBILITY ALLOWED IN PROGRAMMING OTHER RESOURCES AUTHORIZED BY THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT SHOULD NOT BE ALTERED IN ANY FASHION BY THIS LEGISLATION.

I HOPE THAT THESE BRIEF REMARKS MAY CONTRIBUTE TO YOUR EXAMINATION OF THE NATURE AND SCOPE OF YOUTH EMPLOYABILITY DEVELOPMENT PROBLEMS. THANK YOU FOR THIS OPPORTUNITY TO ADDRESS THE SUBCOMMITTEE.

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